

State of Illinois 91st General Assembly Final Senate Journal

SENATE JOURNAL

STATE OF ILLINOIS

NINETY-FIRST GENERAL ASSEMBLY

79TH LEGISLATIVE DAY

THURSDAY, FEBRUARY 24, 2000

11:20 O'CLOCK A.M.

No. 79

[Feb. 24, 2000]

2

The Senate met pursuant to adjournment.
Honorable James "Pate" Philip, Wood Dale, Illinois, presiding.
Prayer by Pastor Jerry Doss, Abundant Faith Christian Church,
Springfield, Illinois.
Senator Radogno led the Senate in the Pledge of Allegiance.

The Journal of Tuesday, February 22, 2000, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

Senator Myers moved that reading and approval of the Journal of Wednesday, February 23, 2000 be postponed pending arrival of the printed Journal.

The motion prevailed.

REPORTS RECEIVED

The Secretary placed before the Senate the following reports:

A report on the Drainage Improvements Town of Cortland, DeKalb County, Illinois, January, 2000, submitted by the Department of Natural Resources pursuant to the Flood Control Act of 1945.

A report on Wood River Drainage and Levee District, Madison County, Illinois, Grassy Lake Pump Station, February 2000, submitted by the Department of Natural Resources in accordance with the Flood Control Act of 1945.

The foregoing reports were ordered received and placed on file in the Secretary's Office.

LEGISLATIVE MEASURES FILED

The following floor amendments to the Senate Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 1 to Senate Bill 1404
Senate Amendment No. 1 to Senate Bill 1453
Senate Amendment No. 4 to Senate Bill 1577
Senate Amendment No. 3 to Senate Bill 1588
Senate Amendment No. 1 to Senate Bill 1657
Senate Amendment No. 3 to Senate Bill 1658

REPORTS FROM STANDING COMMITTEES

Senator Cronin, Chairperson of the Committee on Education to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1446**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Cronin, Chairperson of the Committee on Education to which was referred **Senate floor Amendment No. 1 to Senate Bill No.**

[Feb. 24, 2000]

1447, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Cronin, Chairperson of the Committee on Education to

which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1888**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Mahar, Chairperson of the Committee on Environment and Energy to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1288**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Mahar, Chairperson of the Committee on Environment and Energy to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1391**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Mahar, Chairperson of the Committee on Environment and Energy to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1653**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 807**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1281**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1338**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1613**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1672**, reported the same back with the recommendation that it be adopted.

[Feb. 24, 2000]

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1680**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1852**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1923**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator O'Malley, Chairperson of the Committee on Financial Institutions to which was referred **Senate floor Amendment No. 6 to Senate Bill No. 1275**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Hawkinson, Chairperson of the Committee on Judiciary to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1231**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Hawkinson, Chairperson of the Committee on Judiciary to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1382**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Hawkinson, Chairperson of the Committee on Judiciary to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1540**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Hawkinson, Chairperson of the Committee on Judiciary to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1567**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for

consideration on second reading.

Senator Burzynski, Chairperson of the Committee on Licensed Activities to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1339**, reported the same back with the recommendation that it be adopted.

[Feb. 24, 2000]

5

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Dillard, Chairperson of the Committee on Local Government to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1302**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Dillard, Chairperson of the Committee on Local Government to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1513**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Dillard, Chairperson of the Committee on Local Government to which was referred **Senate floor Amendments numbered 1 and 2 to Senate Bill No. 1550**, reported the same back with the recommendation that they be adopted.

Under the rules, the foregoing amendments are eligible for consideration on second reading.

Senator Dillard, Chairperson of the Committee on Local Government to which was referred **Senate floor Amendment No. 3 to Senate Bill No. 1577**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator T. Walsh, Chairperson of the Committee on State Government Operations to which was referred **Senate floor Amendment No. 1 to Senate Bill No. 1841**, reported the same back with the recommendation that it be approved for consideration.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator T. Walsh, Chairperson of the Committee on State Government Operations, to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1841**, reported the same back with the recommendation that the amendment be tabled.

Senator Parker, Chairperson of the Committee on Transportation to which was referred **Senate floor Amendment No. 2 to Senate Bill No.**

1393, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

Senator Parker, Chairperson of the Committee on Transportation to which was referred **Senate floor Amendment No. 2 to Senate Bill No. 1588**, reported the same back with the recommendation that it be adopted.

Under the rules, the foregoing amendment is eligible for consideration on second reading.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

[Feb. 24, 2000]

6

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 2888

A bill for AN ACT to amend the Criminal Code of 1961 by changing Sections 3-5 and 3-6.

HOUSE BILL NO. 2899

A bill for AN ACT concerning military memorials.

HOUSE BILL NO. 3112

A bill for AN ACT to amend the Code of Civil Procedure by changing Sections 8-2001, 8-2003, and 8-2004, changing the heading of Part 20 of Article VIII, and adding Sections 8-2005 and 8-2006.

HOUSE BILL NO. 3169

A bill for AN ACT concerning fraternal organizations.

HOUSE BILL NO. 3309

A bill for AN ACT to amend the Disabled Persons Rehabilitation Act by changing Section 3.

HOUSE BILL NO. 3319

A bill for AN ACT to amend the School Code by adding Section 2-3.131.

HOUSE BILL NO. 3355

A bill for AN ACT to amend the Illinois Public Aid Code by changing Section 12-4.11.

HOUSE BILL NO. 3455

A bill for AN ACT to amend the Environmental Health Practitioner Licensing Act.

Passed the House, February 23, 2000.

ANTHONY D. ROSSI, Clerk of the House

The foregoing **House Bills numbered 2888, 2899, 3112, 3169, 3309, 3319, 3355 and 3455** were taken up, ordered printed and placed on

first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 3256

A bill for AN ACT to create the Momenca Dam Transfer Act.

HOUSE BILL NO. 3315

A bill for AN ACT to amend the School Code by adding Section 2-3.131.

HOUSE BILL NO. 3428

A bill for AN ACT to amend the Property Tax Code by changing Sections 10-40, 10-45, and 10-55.

HOUSE BILL NO. 3435

A bill for AN ACT concerning the levy of taxes by school boards.

HOUSE BILL NO. 3636

A bill for AN ACT to amend the Liquor Control Act of 1934 by changing Section 5-1.

HOUSE BILL NO. 3850

A bill for AN ACT concerning State moneys for medical schools.

[Feb. 24, 2000]

7

HOUSE BILL NO. 3861

A bill for AN ACT to amend the Wildlife Code by changing Sections 2.11 and 2.26.

HOUSE BILL NO. 3989

A bill for AN ACT to amend the Criminal Code of 1961 by changing Sections 12-2 and 36-1 and adding Section 12-4.11.

HOUSE BILL NO. 3993

A bill for AN ACT to amend the Public Community College Act by changing Sections 2-16.03 and 3-37.

HOUSE BILL NO. 4043

A bill for AN ACT to amend the Liquor Control Act of 1934 by changing Section 7-5.

Passed the House, February 23, 2000.

ANTHONY D. ROSSI, Clerk of the House

The foregoing **House Bills numbered 3256, 3315, 3428, 3435, 3636, 3850, 3861, 3989, 3993 and 4043** were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 3223

A bill for AN ACT to amend the Clerks of Courts Act by changing Section 27.2a.

HOUSE BILL NO. 3869

A bill for AN ACT to amend the Unified Code of Corrections by changing Section 3-7-2.

HOUSE BILL NO. 4160

A bill for AN ACT to amend the Illinois Public Aid Code by adding Section 1-12 and repealing Section 4-22.

HOUSE BILL NO. 4265

A bill for AN ACT concerning career scholarships.

HOUSE BILL NO. 4280

A bill for AN ACT to amend the Illinois Public Accounting Act.

HOUSE BILL NO. 4404

A bill for AN ACT to amend the Illinois Farm Development Act.

HOUSE BILL NO. 4593

A bill for AN ACT in relation to evidence.

Passed the House, February 23, 2000.

ANTHONY D. ROSSI, Clerk of the House

The foregoing **House Bills numbered 3223, 3869, 4160, 4265, 4280, 4404 and 4593** were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 3968

[Feb. 24, 2000]

A bill for AN ACT in relation to East St. Louis Area economic development.

HOUSE BILL NO. 4030

A bill for AN ACT to amend the School Code by changing Section 18-8.05.

HOUSE BILL NO. 4089

A bill for AN ACT creating the Internet Voting Commission.

HOUSE BILL NO. 4092

A bill for AN ACT concerning county officers.

HOUSE BILL NO. 4138

A bill for AN ACT to amend the Clerks of Courts Act by changing Section 27.3b.

HOUSE BILL NO. 4341

A bill for AN ACT to amend the Freedom of Information Act by changing Section 11 and adding Sections 11.5 and 11.10.

HOUSE BILL NO. 4483

A bill for AN ACT in relation to breast feeding.

Passed the House, February 23, 2000.

ANTHONY D. ROSSI, Clerk of the House

The foregoing **House Bills numbered 3968, 4030, 4089, 4092, 4138, 4341 and 4483** were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 563

A bill for AN ACT to amend the Hospital Licensing Act by changing Section 9 and adding Sections 6.14a, 6.14b, 6.14c, and 6.14d.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 563

House Amendment No. 2 to SENATE BILL NO. 563

Passed the House, as amended, February 23, 2000.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 563

AMENDMENT NO. 1. Amend Senate Bill 563 by replacing the title with the following:

"AN ACT to amend the Hospital Licensing Act."; and
by replacing everything after the enacting clause with the following:

"Section 5. The Hospital Licensing Act is amended by adding Section 4.6 as follows:

(210 ILCS 85/4.6 new)

Sec. 4.6. Additional licensing requirements.

(a) Notwithstanding any other law or rule to the contrary, the Department shall license as a hospital a building that (i) is owned or operated by a hospital licensed under this Act, (ii) is located in a municipality with a population of less than 60,000, and (iii) includes a postsurgical recovery care center licensed under the Alternative Health Care Delivery Act for a period of not less than 2 years, an ambulatory surgical treatment center licensed under the

[Feb. 24, 2000]

Ambulatory Surgical Treatment Center Act, and a Freestanding Emergency Center licensed under the Emergency Medical Services (EMS) Systems Act. Only the components of the building which are currently licensed shall be eligible under the provisions of this Section.

(b) Prior to issuing a license, the Department shall inspect the facility and require the facility to meet such of the Department's rules relating to the establishment of hospitals as the Department determines are appropriate to such facility. Once the Department approves the facility and issues a hospital license, all other

licenses as listed in subsection (a) above shall be null and void.

Section 99. Effective date. This Act takes effect upon becoming law."

AMENDMENT NO. 2 TO SENATE BILL 563

AMENDMENT NO. 2_. Amend Senate Bill 563, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 1, line 12, by replacing "shall" with "may"; and on page 2, immediately below line 9, by inserting the following:

"(c) Only one license may be issued under the authority of this Section. No license may be issued after 18 months after the effective date of this amendatory Act of the 91st General Assembly."

Under the rules, the foregoing **Senate Bill No. 563**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

INTRODUCTION OF BILLS

SENATE BILL NO. 1948. Introduced by Senator Bomke, a bill for AN ACT concerning nursing.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Rules.

SENATE BILL NO. 1949. Introduced by Senator Dillard, a bill for AN ACT to amend the Public Utilities Act by changing Section 9-250 and adding Section 9-250.5.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Rules.

SENATE BILL NO. 1950. Introduced by Senator Welch, a bill for AN ACT to amend the Illinois Vehicle Code by changing Section 12-215.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Rules.

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator Karpriel, **Senate Bill No. 807** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 807 by replacing the title with the following:

"AN ACT concerning health facility planning."; and by replacing everything after the enacting clause with the following:
"Section 5. The Open Meetings Act is amended by changing Section 1.02 as follows:

(5 ILCS 120/1.02) (from Ch. 102, par. 41.02)

[Feb. 24, 2000]

Sec. 1.02. For the purposes of this Act:

"Meeting" means any gathering of a majority of a quorum of the ~~members commissioners~~ of a public body held for the purpose of discussing public business.

"Public body" includes all legislative, executive, administrative or advisory bodies of the State, counties, townships, cities, villages, incorporated towns, school districts and all other municipal corporations, boards, bureaus, committees or commissions of this State, and any subsidiary bodies of any of the foregoing including but not limited to committees and subcommittees which are supported in whole or in part by tax revenue, or which expend tax revenue, except the General Assembly and committees or commissions thereof. "Public body" includes tourism boards and convention or civic center boards located in counties that are contiguous to the Mississippi River with populations of more than 250,000 but less than 300,000. "Public body" includes the Health Facilities Planning Board. "Public body" does not include a child death review team established under the Child Death Review Team Act or an ethics commission, ethics officer, or ultimate jurisdictional authority acting under the State Gift Ban Act as provided by Section 80 of that Act.

(Source: P.A. 90-517, eff. 8-22-97; 90-737, eff. 1-1-99; revised 11-8-99.)

Section 10. The State Gift Ban Act is amended by changing Section 5 as follows:

(5 ILCS 425/5)

Sec. 5. Definitions. As used in this Act:

"Commission" means an ethics commission created by this Act.

"Employee" means all full-time, part-time, and contractual employees, appointed and elected officials, and directors of a governmental entity.

"Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an employee, member, officer, or judge.

"Governmental entity" means each office, board, commission, agency, department, authority, institution, university, body politic and corporate, administrative unit, and corporate outgrowth of the executive, legislative, and judicial branches of State government, whether created by the Illinois Constitution, by or in accordance with statute, or by executive order of the Governor. "Governmental entity" includes the Health Facilities Planning Board.

"Judge" means judges and associate judges of the Supreme Court, Appellate Courts, and Circuit Courts.

"Member" means a member of the General Assembly.

"Officer" means a State constitutional officer.

"Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not the individual or electors are selected,

nominated, elected, or appointed. The term includes the making of expenditures relating to an office described in the preceding sentence that, if incurred by the individual, would be allowable as a

[Feb. 24, 2000]

11

federal income tax deduction for trade or business expenses.

"Prohibited source" means any person or entity who:

(1) is seeking official action (i) by the member, officer, or judge or (ii) in the case of an employee, by the employee or by the member, officer, judge, governmental entity, or other employee directing the employee;

(2) does business or seeks to do business (i) with the member, officer, or judge or (ii) in the case of an employee, with the employee or with the member, officer, judge, governmental entity, or other employee directing the employee;

(3) conducts activities regulated (i) by the member, officer, or judge or (ii) in the case of an employee, by the employee or by the member, officer, judge, governmental entity, or other employee directing the employee;

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, employee, or judge; or

(5) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act.

"Ultimate jurisdictional authority" means the following:

(1) For members, partisan staff, and their secretaries, the appropriate legislative leader: President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, or Minority Leader of the House of Representatives.

(2) For State employees who are professional staff or employees of the Senate and not covered under item (1), the Senate Operations Commission.

(3) For State employees who are professional staff or employees of the House of Representatives and not covered under item (1), the Speaker of the House of Representatives.

(4) For State employees who are employees of the legislative support services agencies, the Joint Committee on Legislative Support Services.

(5) For judges, the Chief Justice of the Supreme Court.

(6) For State employees of the judicial branch, the Administrative Office of the Illinois Courts.

(7) For State employees of an executive branch constitutional officer, the appropriate executive branch constitutional officer.

(8) For State employees not under the jurisdiction of paragraph (1), (2), (3), (4), (5), (6), or (7), the Governor.

(9) For officers, the General Assembly.

(Source: P.A. 90-737, eff. 1-1-99.)

Section 15. The Illinois Health Facilities Planning Act is amended by changing Sections 3, 4, 5, 6, and 12 and by adding Sections 4.1 and 19.5 as follows:

(20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

(Text of Section before amendment by P.A. 91-656)

Sec. 3. As used in this Act:

"Health care facilities" means and includes the following facilities and organizations:

1. An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;
2. An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;
3. Any institution required to be licensed pursuant to the Nursing Home Care Act;
4. Hospitals, nursing homes, ambulatory surgical treatment centers, or kidney disease treatment centers maintained by the

[Feb. 24, 2000]

12

State or any department or agency thereof; and

5. Kidney disease treatment centers, including a free-standing hemodialysis unit.

No federally owned facility shall be subject to the provisions of this Act, nor facilities used solely for healing by prayer or spiritual means.

No facility licensed under the Supportive Residences Licensing Act shall be subject to the provisions of this Act.

A facility designated as a supportive living facility that is in good standing with the demonstration project established under Section 5-5.01a of the Illinois Public Aid Code shall not be subject to the provisions of this Act.

This Act does not apply to facilities granted waivers under Section 3-102.2 of the Nursing Home Care Act. However, if a demonstration project under that Act applies for a certificate of need to convert to a nursing facility, it shall meet the licensure and certificate of need requirements in effect as of the date of application.

With the exception of those health care facilities specifically included in this Section, nothing in this Act shall be intended to include facilities operated as a part of the practice of a physician or other licensed health care professional, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional group. Further, this Act shall not apply to physicians or other licensed health care professional's practices where such practices are carried out in a portion of a health care facility under contract with such health care facility by a physician or by other licensed health care professionals, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional groups. This Act shall apply to construction or modification and to establishment by such health care facility of such contracted portion which is subject to facility licensing requirements, irrespective of the party responsible for such action or attendant financial obligation.

"Person" means any one or more natural persons, legal entities, governmental bodies other than federal, or any combination thereof.

"Consumer" means any person other than a person (a) whose major

occupation currently involves or whose official capacity within the last 12 months has involved the providing, administering or financing of any type of health care facility, (b) who is engaged in health research or the teaching of health, (c) who has a material financial interest in any activity which involves the providing, administering or financing of any type of health care facility, or (d) who is or ever has been a member of the immediate family of the person defined by (a), (b), or (c).

"State Board" means the Health Facilities Planning Board.

"Construction or modification" means the establishment, erection, building, alteration, ~~reconstruction~~, modernization, improvement, extension, discontinuation, change of ownership, of or by a health care facility, or the purchase or acquisition by or through a health care facility of equipment or service for diagnostic or therapeutic purposes or for facility administration or operation, or any capital expenditure made by ~~or on behalf of~~ a health care facility which exceeds the capital expenditure minimum.

"Establish" means the construction of a health care facility or the replacement of an existing facility on another site.

"Change of ownership of a health care facility" means a change in the person who has ownership or control of a health care facility's

[Feb. 24, 2000]

physical plant and capital assets. The following types of transactions indicate a change in ownership: sale, transfer, acquisition, lease, change of sponsorship, or other means of transferring control.

"Related person" means any person who (i) is at least 50% owned, either directly or indirectly, by either the health care facility or a person owning, either directly or indirectly, at least 50% of the health care facility or (ii) owns, either directly or indirectly, at least 50% of the health care facility.

"Major medical equipment" means medical equipment which is used for the provision of medical and other health services and which costs in excess of the capital expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of Section 1861(s) of such Act. In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

"Capital Expenditure" means an expenditure: (A) made by or on behalf of a health care facility (as such a facility is defined in this Act); and (B) which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and which exceeds the capital expenditure minimum.

For the purpose of this paragraph, the cost of any studies,

surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditures minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under this Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of this Act if a transfer of the equipment or facilities at fair market value would be subject to review.

"Capital expenditure minimum" means \$7,000,000 ~~\$1,000,000~~ for major medical equipment and ~~\$2,000,000 for all clinical~~ ~~other~~ capital expenditures, ~~both of~~ which shall be annually adjusted to reflect the increase in construction costs due to inflation.

"Non-clinical service area" means an area that is not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands and other retail space; tunnels, walkways, and elevators; computer systems; telephone systems; projects to comply with life safety codes; educational facilities; student housing; residential units and apartments; restaurants, cafeterias, snack bars, and all other non-patient dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings

[Feb. 24, 2000]

or treatments, or furniture.

"Areawide" means a major area of the State delineated on a geographic, demographic, and functional basis for health planning and for health service and having within it one or more local areas for health planning and health service. The term "region", as contrasted with the term "subregion", and the word "area" may be used synonymously with the term "areawide".

"Local" means a subarea of a delineated major area that on a geographic, demographic, and functional basis may be considered to be part of such major area. The term "subregion" may be used synonymously with the term "local".

"Areawide health planning organization" or "Comprehensive health planning organization" means the health systems agency designated by the Secretary, Department of Health and Human Services or any successor agency.

"Local health planning organization" means those local health planning organizations that are designated as such by the areawide health planning organization of the appropriate area.

"Physician" means a person licensed to practice in accordance with the Medical Practice Act of 1987, as amended.

"Licensed health care professional" means a person licensed to

practice a health profession under pertinent licensing statutes of the State of Illinois.

"Director" means the Director of the Illinois Department of Public Health.

"Agency" means the Illinois Department of Public Health.

"Comprehensive health planning" means health planning concerned with the total population and all health and associated problems that affect the well-being of people and that encompasses health services, health manpower, and health facilities; and the coordination among these and with those social, economic, and environmental factors that affect health.

"Alternative health care model" means a facility or program authorized under the Alternative Health Care Delivery Act.

(Source: P.A. 89-499, eff. 6-28-96; 89-530, eff. 7-19-96; 90-14, eff. 7-1-97.)

(Text of Section after amendment by P.A. 91-656)

Sec. 3. As used in this Act:

"Health care facilities" means and includes the following facilities and organizations:

1. An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;
2. An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;
3. Skilled and intermediate long term care facilities licensed under the Nursing Home Care Act;
4. Hospitals, nursing homes, ambulatory surgical treatment centers, or kidney disease treatment centers maintained by the State or any department or agency thereof; and
5. Kidney disease treatment centers, including a free-standing hemodialysis unit.

No federally owned facility shall be subject to the provisions of this Act, nor facilities used solely for healing by prayer or spiritual means.

No facility licensed under the Supportive Residences Licensing Act or the Assisted Living and Shared Housing Act shall be subject to the provisions of this Act.

A facility designated as a supportive living facility that is in good standing with the demonstration project established under

[Feb. 24, 2000]

Section 5-5.01a of the Illinois Public Aid Code shall not be subject to the provisions of this Act.

This Act does not apply to facilities granted waivers under Section 3-102.2 of the Nursing Home Care Act. However, if a demonstration project under that Act applies for a certificate of need to convert to a nursing facility, it shall meet the licensure and certificate of need requirements in effect as of the date of application.

This Act shall not apply to the closure of an entity or a portion of an entity licensed under the Nursing Home Care Act that elects to convert, in whole or in part, to an assisted living or shared housing establishment licensed under the Assisted Living and Shared Housing

Establishment Act.

With the exception of those health care facilities specifically included in this Section, nothing in this Act shall be intended to include facilities operated as a part of the practice of a physician or other licensed health care professional, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional group. Further, this Act shall not apply to physicians or other licensed health care professional's practices where such practices are carried out in a portion of a health care facility under contract with such health care facility by a physician or by other licensed health care professionals, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional groups. This Act shall apply to construction or modification and to establishment by such health care facility of such contracted portion which is subject to facility licensing requirements, irrespective of the party responsible for such action or attendant financial obligation.

"Person" means any one or more natural persons, legal entities, governmental bodies other than federal, or any combination thereof.

"Consumer" means any person other than a person (a) whose major occupation currently involves or whose official capacity within the last 12 months has involved the providing, administering or financing of any type of health care facility, (b) who is engaged in health research or the teaching of health, (c) who has a material financial interest in any activity which involves the providing, administering or financing of any type of health care facility, or (d) who is or ever has been a member of the immediate family of the person defined by (a), (b), or (c).

"State Board" means the Health Facilities Planning Board.

"Construction or modification" means the establishment, erection, building, alteration, ~~reconstruction~~, modernization, improvement, extension, discontinuation, change of ownership, of or by a health care facility, or the purchase or acquisition by or through a health care facility of equipment or service for diagnostic or therapeutic purposes or for facility administration or operation, or any capital expenditure made by ~~or on behalf of~~ a health care facility which exceeds the capital expenditure minimum.

"Establish" means the construction of a health care facility or the replacement of an existing facility on another site.

"Change of ownership of a health care facility" means a change in the person who has ownership or control of a health care facility's physical plant and capital assets. The following types of transactions indicate a change in ownership: sale, transfer, acquisition, lease, change of sponsorship, or other means of transferring control.

"Related person" means any person who (i) is at least 50% owned,

[Feb. 24, 2000]

either directly or indirectly, by either the health care facility or a person owning, either directly or indirectly, at least 50% of the health care facility or (ii) owns, either directly or indirectly, at

least 50% of the health care facility.

"Major medical equipment" means medical equipment which is used for the provision of medical and other health services and which costs in excess of the capital expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of Section 1861(s) of such Act. In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

"Capital Expenditure" means an expenditure: (A) made by or on behalf of a health care facility (as such a facility is defined in this Act); and (B) which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and which exceeds the capital expenditure minimum.

For the purpose of this paragraph, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditures minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under this Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of this Act if a transfer of the equipment or facilities at fair market value would be subject to review.

"Capital expenditure minimum" means \$7,000,000 ~~\$1,000,000~~ for major medical equipment and ~~\$2,000,000~~ for all clinical other capital expenditures, ~~both of~~ which shall be annually adjusted to reflect the increase in construction costs due to inflation.

"Non-clinical service area" means an area that is not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands and other retail space; tunnels, walkways, and elevators; computer systems; telephone systems; projects to comply with life safety codes; educational facilities; student housing; residential units and apartments; restaurants, cafeterias, snack bars, and all other non-patient dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture.

"Areawide" means a major area of the State delineated on a geographic, demographic, and functional basis for health planning and for health service and having within it one or more local areas for health planning and health service. The term "region", as contrasted

with the term "subregion", and the word "area" may be used synonymously with the term "areawide".

"Local" means a subarea of a delineated major area that on a geographic, demographic, and functional basis may be considered to be part of such major area. The term "subregion" may be used synonymously with the term "local".

"Areawide health planning organization" or "Comprehensive health planning organization" means the health systems agency designated by the Secretary, Department of Health and Human Services or any successor agency.

"Local health planning organization" means those local health planning organizations that are designated as such by the areawide health planning organization of the appropriate area.

"Physician" means a person licensed to practice in accordance with the Medical Practice Act of 1987, as amended.

"Licensed health care professional" means a person licensed to practice a health profession under pertinent licensing statutes of the State of Illinois.

"Director" means the Director of the Illinois Department of Public Health.

"Agency" means the Illinois Department of Public Health.

"Comprehensive health planning" means health planning concerned with the total population and all health and associated problems that affect the well-being of people and that encompasses health services, health manpower, and health facilities; and the coordination among these and with those social, economic, and environmental factors that affect health.

"Alternative health care model" means a facility or program authorized under the Alternative Health Care Delivery Act.

(Source: P.A. 90-14, eff. 7-1-97; 91-656, eff. 1-1-01.)

(20 ILCS 3960/4) (from Ch. 111 1/2, par. 1154)

Sec. 4. There is created the Health Facilities Planning Board, which shall perform such functions as hereinafter described in this Act.

The State Board shall consist of 15 voting members, including: 8 consumer members; one member representing the commercial health insurance industry in Illinois; one member representing ~~proprietary~~ hospitals in Illinois; one member who is actively engaged in the field of hospital management; one member who is a professional nurse registered in Illinois; one member who is a physician in active private practice licensed in Illinois to practice medicine in all of its branches; one member who is actively engaged in the field of skilled nursing or intermediate care facility management; and one member who is actively engaged in the administration of an ambulatory surgical treatment center licensed under the Ambulatory Surgical Treatment Center Act.

The State Board shall be appointed by the Governor, with the advice and consent of the Senate. In making the appointments, the Governor shall give consideration to recommendations made by (1) the professional organizations concerned with hospital management for the hospital management appointment, (2) professional organizations

concerned with long term care facility management for the long term care facility management appointment, (3) professional medical organizations for the physician appointment, (4) professional nursing organizations for the nurse appointment, and (5) professional organizations concerned with ambulatory surgical treatment centers for the ambulatory surgical treatment center appointment, and shall appoint as consumer members individuals familiar with community health needs but whose interest in the operation, construction or utilization of health care facilities are derived from factors other

[Feb. 24, 2000]

18

than those related to his profession, business, or economic gain, and who represent, so far as possible, different geographic areas of the State. Not more than 8 of the appointments shall be of the same political party.

The Secretary of Human Services, the Director of Public Aid, and the Director of Public Health, or their designated representatives, shall serve as ex-officio, non-voting members of the State Board.

Of those appointed by the Governor as voting members, each member shall hold office for a term of 3 years: provided, that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and the term of office of each successor shall commence on July 1 of the year in which his predecessor's term expires. In making original appointments to the State Board, the Governor shall appoint 5 members for a term of one year, 5 for a term of 2 years, and 3 for a term of 3 years, and each of these terms of office shall commence on July 1, 1974. The initial term of office for the members appointed under this amendatory Act of 1996 shall begin on July 1, 1996 and shall last for 2 years, and each subsequent appointment shall be for a term of 3 years. Each member shall hold office until his successor is appointed and qualified.

Notwithstanding any other provision of this Section, and except for non-voting ex officio members, beginning on January 1, 2001, no person may be appointed to or serve as a member of the State Board if that person has served 3 or more consecutive terms.

State Board members, while serving on business of the State Board, shall receive actual and necessary travel and subsistence expenses while so serving away from their places of residence. In addition, while serving on business of the State Board, each member shall receive compensation of \$150 per day, except that such compensation shall not exceed \$7,500 in any one year for any member.

The State Board shall provide for its own organization and procedures, including the selection of a Chairman and such other officers as deemed necessary. The Director, with concurrence of the State Board, shall name as full-time Executive Secretary of the State Board, a person qualified in health care facility planning and in administration. The Agency shall provide administrative and staff support for the State Board. The State Board shall advise the Director of its budgetary and staff needs and consult with the Director on annual budget preparation.

The State Board shall meet at least once each quarter, or as often as the Chairman of the State Board deems necessary, or upon the

request of a majority of the members.

Eight members of the State Board shall constitute a quorum. The affirmative vote of 8 of the members of the State Board shall be necessary for any action requiring a vote to be taken by the State Board. A vacancy in the membership of the State Board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the State Board as provided by this Act.

(Source: P.A. 89-674, eff. 8-14-96; 90-14, eff. 7-1-97.)

(20 ILCS 3960/4.1 new)

Sec. 4.1. Ethics laws.

(a) All State Board meetings are subject to the Open Meetings Act.

(b) The State Board is subject to the State Gift Ban Act.

(20 ILCS 3960/5) (from Ch. 111 1/2, par. 1155)

Sec. 5. After effective dates set by the State Board, no person shall construct, modify or establish a health care facility or acquire major medical equipment without first obtaining a permit or exemption from the State Board. The State Board shall not delegate to

[Feb. 24, 2000]

the Executive Secretary of the State Board or any other person or entity the authority to grant permits or exemptions whenever the Executive Secretary or other person or entity would be required to exercise any discretion affecting the decision to grant a permit or exemption. The State Board shall set effective dates applicable to all or to each classification or category of health care facilities and applicable to all or each type of transaction for which a permit is required. Varying effective dates may be set, providing the date or dates so set shall apply uniformly statewide.

Notwithstanding any effective dates established by this Act or by the State Board, no person shall be required to obtain a permit for any purpose under this Act until the State health facilities plan referred to in paragraph (4) of Section 12 of this Act has been approved and adopted by the State Board subsequent to public hearings having been held thereon.

A permit or exemption shall be obtained prior to the acquisition of major medical equipment or to the construction or modification of a health care facility which:

(a) requires a total capital expenditure in excess of the capital expenditure minimum; or

(b) substantially changes the scope or changes the functional operation of the facility; or

(c) changes the bed capacity of a health care facility by increasing the total number of beds or by distributing beds among various categories of service or by relocating beds from one physical facility or site to another by more than 10 beds or more than 10% of total ~~bed~~ capacity of beds used for a single licensure category as defined by the State Board, whichever is less, over a 2 year period.

A permit shall be valid only for the defined construction or modifications, site, amount and person named in the application for such permit and shall not be transferable or assignable, except for permits or exemptions for projects that are pending when the holder

of the permit or exemption undergoes a change of ownership. A permit shall be valid until such time as the project has been completed, provided that (a) obligation of the project occurs within 12 months following issuance of the permit except for major construction projects such obligation must occur within 18 months following issuance of the permit; and (b) the project commences and proceeds to completion with due diligence. Major construction projects, for the purposes of this Act, shall include but are not limited to: projects for the construction of new buildings; additions to existing facilities; modernization projects whose cost is in excess of \$1,000,000 or 10% of the facilities' operating revenue, whichever is less; and such other projects as the State Board shall define and prescribe pursuant to this Act. The State Board may extend the obligation period upon a showing of good cause by the permit holder. Permits for projects that have not been obligated within the prescribed obligation period shall expire on the last day of that period.

Persons who otherwise would be required to obtain a permit shall be exempt from such requirement if the State Board finds that with respect to establishing a new facility or construction of new buildings or additions or modifications to an existing facility, final plans and specifications for such work have prior to October 1, 1974, been submitted to and approved by the Department of Public Health in accordance with the requirements of applicable laws. Such exemptions shall be null and void after December 31, 1979 unless binding construction contracts were signed prior to December 1, 1979 and unless construction has commenced prior to December 31, 1979.

[Feb. 24, 2000]

Such exemptions shall be valid until such time as the project has been completed provided that the project proceeds to completion with due diligence.

The acquisition by any person of major medical equipment that will not be owned by or located in a health care facility and that will not be used to provide services to inpatients of a health care facility shall be exempt from review provided that a notice is filed in accordance with exemption requirements.

Notwithstanding any other provision of this Act, no permit or exemption is required for the construction or modification of a non-clinical service area of a health care facility.

Notwithstanding any other provision of this Act, no permit or exemption is required for the replacement of a health care facility that was granted a permit or exemption when the facility was initially constructed.

(Source: P.A. 88-18.)

(20 ILCS 3960/6) (from Ch. 111 1/2, par. 1156)

Sec. 6. (a) An application for a permit or exemption shall be made to the State Board upon forms provided by the State Board. This application shall contain such information as the State Board deems necessary. Such application shall include affirmative evidence on which the Director may make the findings required under this Section and upon which the State Board may make its decision on the approval or denial of the permit or exemption.

(b) The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption application shall be approved when the required information is submitted. Projects eligible for an exemption rather than a permit include, but are not limited to:

(1) changes of ownership of a health care facility; and

(2) discontinuation of a category of service.

(c) An exemption for a change of ownership of a health care facility between unrelated persons shall be approved when the following information (or some lesser amount of information determined by rule by the State Board) is submitted:

(1) the name and address of the person proposing to acquire the facility;

(2) the name and location of the health care facility to be acquired;

(3) a signed certification stating that the categories of service and the number of beds in the facility will not substantially change;

(4) documents that detail the conditions and terms of any lease or purchase agreement;

(5) the most recent audited financial statements of the applicant and a statement by the applicant specifying the source of the funds that will be used to acquire the facility;

(6) the anticipated acquisition price and the fair market value of the facility being acquired;

(7) proof of the publication of the required legal notice of the change of ownership;

(8) documentation from the Office of the Secretary of State stating that the applicant is registered to conduct business in Illinois and is in good standing;

(9) a certification stating that the acquisition or purchase agreement has not yet been entered into or executed or, if the acquisition or purchase agreement has been executed, that it contains a clause stating that the transaction is contingent upon the receipt of approval from the State Board;

(10) certification stating that any projects for which

[Feb. 24, 2000]

permits have been issued will be completed by the applicant;

(11) if the change of ownership concerns a government or not-for-profit facility or a proprietary hospital, a certified copy of the transcript of the required public hearing and copies of all exhibits, documents, and other written materials presented at the hearing;

(12) if the change of ownership concerns a government or not-for-profit facility or a proprietary hospital, copies of the by-laws of the existing facility and of the applicant; and

(13) if the change of ownership concerns a government or not-for-profit facility or a proprietary hospital, a written response addressing the review criteria set forth in 77 Ill.Adm.Code 1110.240 in effect on January 1, 2000. The response must be made available for public inspection on the premises of the health care facility at least 10 days before the public

hearing required under this Section.

(d) Any person requesting an exemption for a change of ownership of a health care facility between unrelated persons must publish a legal notice of the change in a newspaper of general circulation in the community in which the facility is located. The notice must provide the following information:

(1) the name and address of the facility for which the exemption is sought;

(2) the name and address of the applicant requesting the exemption;

(3) the nature of the transaction (such as purchase, lease, or transfer of stock of the licensed entity);

(4) if the entity that will be assuming ownership of the facility is a wholly owned subsidiary of a corporation, the name and address of the parent corporation;

(5) a statement that all categories of service and beds provided will be maintained;

(6) if the change of ownership concerns a government or not-for-profit facility or a proprietary hospital, notice of the public hearing containing the information required under subsection (e); and

(7) the name, title, address, and phone number of a person from whom interested parties may obtain information concerning the proposed transaction.

(e) Any person requesting an exemption for a change of ownership of a government or not-for-profit facility or proprietary hospital between unrelated persons must conduct a public hearing in the community in which the facility is located. The hearing must be held in a place of reasonable size and accessibility. A full and complete written transcript of the proceeding must be made. The applicant must include in the notice required under subsection (d) the following information:

(1) a statement concerning the anticipated benefits to the community of the proposed changes in ownership;

(2) a statement of the anticipated or potential cost savings to the community and the facility, if any, that will result from the change in ownership;

(3) a description of the mechanism that will be used to assure quality control;

(4) a description of the applicant's organizational structure, including a list of controlling or subsidiary persons;

(5) a description of the selection process that the acquiring entity will use in selecting the facility's board of directors;

[Feb. 24, 2000]

(6) a statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill.Adm.Code 1110.240 in effect on January 1, 2000 and a statement that the response is available for public review on the premises of the health care facility;

(7) the location, time, and date of the hearing; and

(8) a statement that the hearing is an open public meeting and that an opportunity to be heard will be given to all persons wishing to present oral or written comments.

The public hearing must be held not less than 10 days and not more than 30 days after the legal notice is published.

(f) An exemption for a change of ownership of a health care facility between related persons shall be approved when the following information (or some lesser amount of information determined by rule by the State Board) is submitted:

(1) the name and address of the person proposing to acquire the facility;

(2) the name and location of the health care facility to be acquired;

(3) a signed certification stating that the categories of service and the number of beds in the facility will not substantially change;

(4) documents that detail the conditions and terms of any lease or purchase agreement;

(5) the most recent audited financial statements of the applicant and a statement by the applicant specifying the source of the funds that will be used to acquire the facility;

(6) the anticipated acquisition price and the fair market value of the facility being acquired;

(7) documentation from the Office of the Secretary of State stating that the applicant is registered to conduct business in Illinois and is in good standing; and

(8) a certification that the acquisition or purchase agreement has not yet been entered into or executed or, if the acquisition or purchase agreement has been executed, that it contains a clause stating that the transaction is contingent upon the receipt of approval from the State Board.

(g) All applications shall be signed by the applicant and shall be verified by any 2 officers thereof.

(h) Upon receipt of an application for a permit, the State Board shall approve and authorize the issuance of a permit if it finds (1) that the applicant is fit, willing, and able to provide a proper standard of health care service for the community with particular regard to the qualification, background and character of the applicant, (2) that economic feasibility is demonstrated in terms of effect on the existing and projected operating budget of the applicant and of the health care facility; in terms of the applicant's ability to establish and operate such facility in accordance with licensure regulations promulgated under pertinent state laws; and in terms of the projected impact on the total health care expenditures in the facility and community, (3) that safeguards are provided which assure that the establishment, construction or modification of the health care facility or acquisition of major medical equipment is consistent with the public interest, and (4) that the proposed project is consistent with the orderly and economic development of such facilities and equipment and is in accord with standards, criteria, or plans of need adopted and approved pursuant to the provisions of Section 12 of this Act.

(Source: P.A. 88-18.)

(20 ILCS 3960/12) (from Ch. 111 1/2, par. 1162)

[Feb. 24, 2000]

Sec. 12. For purposes of this Act, the State Board shall exercise the following powers and duties:

(1) Prescribe rules, regulations, standards, criteria, procedures or reviews which may vary according to the purpose for which a particular review is being conducted or the type of project reviewed and which are required to carry out the provisions and purposes of this Act.

(2) Adopt procedures for public notice and hearing on all proposed rules, regulations, standards, criteria, and plans required to carry out the provisions of this Act.

(3) Prescribe criteria for recognition for areawide health planning organizations, including, but not limited to, standards for evaluating the scientific bases for judgments on need and procedure for making these determinations.

(4) Develop criteria and standards for health care facilities planning, conduct statewide inventories of health care facilities, and develop health care facility plans which shall be utilized in the review of applications for permit under this Act. Such health facility plans shall be coordinated by the Agency with the health care facility plans areawide health planning organizations and with other pertinent State Plans.

In developing health care facility plans, the State Board shall consider, but shall not be limited to, the following:

(a) The size, composition and growth of the population of the area to be served;

(b) The number of existing and planned facilities offering similar programs;

(c) The extent of utilization of existing facilities;

(d) The availability of facilities which may serve as alternatives or substitutes;

(e) The availability of personnel necessary to the operation of the facility;

(f) Multi-institutional planning and the establishment of multi-institutional systems where feasible;

(g) The financial and economic feasibility of proposed construction or modification; and

(h) In the case of health care facilities established by a religious body or denomination, the needs of the members of such religious body or denomination may be considered to be public need.

The health care facility plans which are developed and adopted in accordance with this Section shall form the basis for the plan of the State to deal most effectively with statewide health needs in regard to health care facilities.

(5) Coordinate with other state agencies having responsibilities affecting health care facilities, including those of licensure and cost reporting.

(6) Solicit, accept, hold and administer on behalf of the State any grants or bequests of money, securities or property for use by the State Board or recognized areawide health planning organizations in the administration of this Act; and enter into contracts consistent with the appropriations for purposes enumerated in this Act.

(7) The State Board shall prescribe, in consultation with the

recognized areawide health planning organizations, procedures for review, standards, and criteria which shall be utilized to make periodic areawide reviews and determinations of the appropriateness of any existing health services being rendered by health care facilities subject to the Act. The State Board shall consider recommendations of the areawide health planning organization and the

[Feb. 24, 2000]

Agency in making its determinations.

(8) Prescribe, in consultation with the recognized areawide health planning organizations, rules, regulations, standards, and criteria for the conduct of an expeditious review of applications for permits for projects of construction or modification of a health care facility, which projects are non-substantive in nature. Such rules shall not abridge the right of areawide health planning organizations to make recommendations on the classification and approval of projects, nor shall such rules prevent the conduct of a public hearing upon the timely request of an interested party. Such reviews shall not exceed 60 days from the date the application is declared to be complete by the Agency.

(9) Prescribe rules, regulations, standards, and criteria pertaining to the granting of permits for construction and modifications which are emergent in nature and must be undertaken immediately to prevent or correct structural deficiencies or hazardous conditions that may harm or injure persons using the facility, as defined in the rules and regulations of the State Board. This procedure is exempt from public hearing requirements of this Act.

(10) Prescribe rules, regulations, standards and criteria for the conduct of an expeditious review, not exceeding 60 days, of applications for permits for projects to construct or modify health care facilities which are needed for the care and treatment of persons who have acquired immunodeficiency syndrome (AIDS) or related conditions.

Notwithstanding any other provision of law, not less than 30 days before submitting any rules or changes to any rule for publication in the Illinois Register, the State Board must submit copies of the proposed rules or changes to rules to all affected parties. Upon receipt of the copies, the affected parties may submit comments or objections to the State Board. The State Board must consider all comments and objections before submitting the proposed rules or changes to rules for publication in the Illinois Register.

(Source: P.A. 88-18; 89-276, eff. 8-10-95.)

(20 ILCS 3960/19.5 new)

Sec. 19.5. Audit. The Auditor General must conduct a study of the State Board to determine:

(1) whether the certificate of need process is successful in controlling health care costs;

(2) whether the State Board is following its adopted rules and procedures;

(3) whether the State Board is consistent in awarding and denying certificates of need; and

(4) whether the State Board's annual reports reflect a cost

savings to the State.

The Auditor General must report on the results of the study to the General Assembly on or before January 1, 2002.

This Section is repealed when the Auditor General files his or her report with the General Assembly.

Section 20. The Illinois State Auditing Act is amended by changing Section 3-1 as follows:

(30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

Sec. 3-1. Jurisdiction of Auditor General. The Auditor General has jurisdiction over all State agencies to make post audits and investigations authorized by or under this Act or the Constitution.

The Auditor General has jurisdiction over local government agencies and private agencies only:

(a) to make such post audits authorized by or under this Act as are necessary and incidental to a post audit of a State

[Feb. 24, 2000]

25

agency or of a program administered by a State agency involving public funds of the State, but this jurisdiction does not include any authority to review local governmental agencies in the obligation, receipt, expenditure or use of public funds of the State that are granted without limitation or condition imposed by law, other than the general limitation that such funds be used for public purposes;

(b) to make investigations authorized by or under this Act or the Constitution; and

(c) to make audits of the records of local government agencies to verify actual costs of state-mandated programs when directed to do so by the Legislative Audit Commission at the request of the State Board of Appeals under the State Mandates Act.

In addition to the foregoing, the Auditor General may conduct an audit of the Metropolitan Pier and Exposition Authority, the Regional Transportation Authority, the Suburban Bus Division, the Commuter Rail Division and the Chicago Transit Authority and any other subsidized carrier when authorized by the Legislative Audit Commission. Such audit may be a financial, management or program audit, or any combination thereof.

The audit shall determine whether they are operating in accordance with all applicable laws and regulations. Subject to the limitations of this Act, the Legislative Audit Commission may by resolution specify additional determinations to be included in the scope of the audit.

The Auditor General may also conduct an audit, when authorized by the Legislative Audit Commission, of any hospital which receives 10% or more of its gross revenues from payments from the State of Illinois, Department of Public Aid, Medical Assistance Program.

The Auditor General is authorized to conduct financial and compliance audits of the Illinois Distance Learning Foundation and the Illinois Conservation Foundation.

As soon as practical after the effective date of this amendatory Act of 1995, the Auditor General shall conduct a compliance and management audit of the City of Chicago and any other entity with

regard to the operation of Chicago O'Hare International Airport, Chicago Midway Airport and Merrill C. Meigs Field. The audit shall include, but not be limited to, an examination of revenues, expenses, and transfers of funds; purchasing and contracting policies and practices; staffing levels; and hiring practices and procedures. When completed, the audit required by this paragraph shall be distributed in accordance with Section 3-14.

The Auditor General shall conduct a financial and compliance and program audit of distributions from the Municipal Economic Development Fund during the immediately preceding calendar year pursuant to Section 8-403.1 of the Public Utilities Act at no cost to the city, village, or incorporated town that received the distributions.

The Auditor General must conduct a study of the Health Facilities Planning Board pursuant to Section 19.5 of the Illinois Health Facilities Planning Act.

(Source: P.A. 89-386, eff. 8-18-95; 90-813, eff. 1-29-99.)

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99. Effective date. This Act takes effect upon becoming

[Feb. 24, 2000]

law.".

Senator Karpel offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 807, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Open Meetings Act is amended by changing Section 1.02 as follows:

(5 ILCS 120/1.02) (from Ch. 102, par. 41.02)

Sec. 1.02. For the purposes of this Act:

"Meeting" means any gathering of a majority of a quorum of the ~~members commissioners~~ of a public body held for the purpose of discussing public business.

"Public body" includes all legislative, executive, administrative or advisory bodies of the State, counties, townships, cities, villages, incorporated towns, school districts and all other municipal corporations, boards, bureaus, committees or commissions of this State, and any subsidiary bodies of any of the foregoing including but not limited to committees and subcommittees which are supported in whole or in part by tax revenue, or which expend tax revenue, except the General Assembly and committees or commissions thereof. "Public body" includes tourism boards and convention or civic center boards located in counties that are contiguous to the Mississippi River with populations of more than 250,000 but less than 300,000. "Public body" includes the Health Facilities Planning

Board. "Public body" does not include a child death review team established under the Child Death Review Team Act or an ethics commission, ethics officer, or ultimate jurisdictional authority acting under the State Gift Ban Act as provided by Section 80 of that Act.

(Source: P.A. 90-517, eff. 8-22-97; 90-737, eff. 1-1-99; revised 11-8-99.)

Section 10. The State Gift Ban Act is amended by changing Section 5 as follows:

(5 ILCS 425/5)

Sec. 5. Definitions. As used in this Act:

"Commission" means an ethics commission created by this Act.

"Employee" means all full-time, part-time, and contractual employees, appointed and elected officials, and directors of a governmental entity.

"Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an employee, member, officer, or judge.

"Governmental entity" means each office, board, commission, agency, department, authority, institution, university, body politic and corporate, administrative unit, and corporate outgrowth of the executive, legislative, and judicial branches of State government, whether created by the Illinois Constitution, by or in accordance with statute, or by executive order of the Governor. "Governmental entity" includes the Health Facilities Planning Board.

"Judge" means judges and associate judges of the Supreme Court, Appellate Courts, and Circuit Courts.

"Member" means a member of the General Assembly.

"Officer" means a State constitutional officer.

"Political organization" means a party, committee, association,

[Feb. 24, 2000]

fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not the individual or electors are selected, nominated, elected, or appointed. The term includes the making of expenditures relating to an office described in the preceding sentence that, if incurred by the individual, would be allowable as a federal income tax deduction for trade or business expenses.

"Prohibited source" means any person or entity who:

(1) is seeking official action (i) by the member, officer, or judge or (ii) in the case of an employee, by the employee or by the member, officer, judge, governmental entity, or other employee directing the employee;

(2) does business or seeks to do business (i) with the

member, officer, or judge or (ii) in the case of an employee, with the employee or with the member, officer, judge, governmental entity, or other employee directing the employee;

(3) conducts activities regulated (i) by the member, officer, or judge or (ii) in the case of an employee, by the employee or by the member, officer, judge, governmental entity, or other employee directing the employee;

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, employee, or judge; or

(5) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act.

"Ultimate jurisdictional authority" means the following:

(1) For members, partisan staff, and their secretaries, the appropriate legislative leader: President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, or Minority Leader of the House of Representatives.

(2) For State employees who are professional staff or employees of the Senate and not covered under item (1), the Senate Operations Commission.

(3) For State employees who are professional staff or employees of the House of Representatives and not covered under item (1), the Speaker of the House of Representatives.

(4) For State employees who are employees of the legislative support services agencies, the Joint Committee on Legislative Support Services.

(5) For judges, the Chief Justice of the Supreme Court.

(6) For State employees of the judicial branch, the Administrative Office of the Illinois Courts.

(7) For State employees of an executive branch constitutional officer, the appropriate executive branch constitutional officer.

(8) For State employees not under the jurisdiction of paragraph (1), (2), (3), (4), (5), (6), or (7), the Governor.

(9) For officers, the General Assembly.

(Source: P.A. 90-737, eff. 1-1-99.)

Section 15. The Illinois Health Facilities Planning Act is amended by changing Sections 3, 4, and 5 and by adding Sections 4.1, 19.5, and 19.6 as follows:

(20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

(Text of Section before amendment by P.A. 91-656)

Sec. 3. As used in this Act:

[Feb. 24, 2000]

"Health care facilities" means and includes the following facilities and organizations:

1. An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;

2. An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;

3. Any institution required to be licensed pursuant to the Nursing Home Care Act;

4. Hospitals, nursing homes, ambulatory surgical treatment centers, or kidney disease treatment centers maintained by the State or any department or agency thereof; and

5. Kidney disease treatment centers, including a free-standing hemodialysis unit.

No federally owned facility shall be subject to the provisions of this Act, nor facilities used solely for healing by prayer or spiritual means.

No facility licensed under the Supportive Residences Licensing Act shall be subject to the provisions of this Act.

A facility designated as a supportive living facility that is in good standing with the demonstration project established under Section 5-5.01a of the Illinois Public Aid Code shall not be subject to the provisions of this Act.

This Act does not apply to facilities granted waivers under Section 3-102.2 of the Nursing Home Care Act. However, if a demonstration project under that Act applies for a certificate of need to convert to a nursing facility, it shall meet the licensure and certificate of need requirements in effect as of the date of application.

With the exception of those health care facilities specifically included in this Section, nothing in this Act shall be intended to include facilities operated as a part of the practice of a physician or other licensed health care professional, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional group. Further, this Act shall not apply to physicians or other licensed health care professional's practices where such practices are carried out in a portion of a health care facility under contract with such health care facility by a physician or by other licensed health care professionals, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional groups. This Act shall apply to construction or modification and to establishment by such health care facility of such contracted portion which is subject to facility licensing requirements, irrespective of the party responsible for such action or attendant financial obligation.

"Person" means any one or more natural persons, legal entities, governmental bodies other than federal, or any combination thereof.

"Consumer" means any person other than a person (a) whose major occupation currently involves or whose official capacity within the last 12 months has involved the providing, administering or financing of any type of health care facility, (b) who is engaged in health research or the teaching of health, (c) who has a material financial interest in any activity which involves the providing, administering or financing of any type of health care facility, or (d) who is or ever has been a member of the immediate family of the person defined by (a), (b), or (c).

"State Board" means the Health Facilities Planning Board.

"Construction or modification" means the establishment, erection,

[Feb. 24, 2000]

building, alteration, reconstruction, modernization, improvement, extension, discontinuation, change of ownership, of or by a health care facility, or the purchase or acquisition by or through a health care facility of equipment or service for diagnostic or therapeutic purposes or for facility administration or operation, or any capital expenditure made by or on behalf of a health care facility which exceeds the capital expenditure minimum.

"Establish" means the construction of a health care facility or the replacement of an existing facility on another site.

"Major medical equipment" means medical equipment which is used for the provision of medical and other health services and which costs in excess of the capital expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of Section 1861(s) of such Act. In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

"Capital Expenditure" means an expenditure: (A) made by or on behalf of a health care facility (as such a facility is defined in this Act); and (B) which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and which exceeds the capital expenditure minimum.

For the purpose of this paragraph, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditures minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under this Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of this Act if a transfer of the equipment or facilities at fair market value would be subject to review.

"Capital expenditure minimum" means ~~\$1,000,000~~ \$7,000,000 for major medical equipment and ~~\$2,000,000 for all clinical other~~ capital expenditures, ~~both of~~ which shall be annually adjusted to reflect the increase in construction costs due to inflation.

"Non-clinical service area" means an area for the benefit of patients, visitors, staff, or employees of the health care facility that is not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands; tunnels, walkways, and elevators; computer systems; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement;

vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall

[Feb. 24, 2000]

coverings, window coverings or treatments, or furniture.

"Areawide" means a major area of the State delineated on a geographic, demographic, and functional basis for health planning and for health service and having within it one or more local areas for health planning and health service. The term "region", as contrasted with the term "subregion", and the word "area" may be used synonymously with the term "areawide".

"Local" means a subarea of a delineated major area that on a geographic, demographic, and functional basis may be considered to be part of such major area. The term "subregion" may be used synonymously with the term "local".

"Areawide health planning organization" or "Comprehensive health planning organization" means the health systems agency designated by the Secretary, Department of Health and Human Services or any successor agency.

"Local health planning organization" means those local health planning organizations that are designated as such by the areawide health planning organization of the appropriate area.

"Physician" means a person licensed to practice in accordance with the Medical Practice Act of 1987, as amended.

"Licensed health care professional" means a person licensed to practice a health profession under pertinent licensing statutes of the State of Illinois.

"Director" means the Director of the Illinois Department of Public Health.

"Agency" means the Illinois Department of Public Health.

"Comprehensive health planning" means health planning concerned with the total population and all health and associated problems that affect the well-being of people and that encompasses health services, health manpower, and health facilities; and the coordination among these and with those social, economic, and environmental factors that affect health.

"Alternative health care model" means a facility or program authorized under the Alternative Health Care Delivery Act.

(Source: P.A. 89-499, eff. 6-28-96; 89-530, eff. 7-19-96; 90-14, eff. 7-1-97.)

(Text of Section after amendment by P.A. 91-656)

Sec. 3. As used in this Act:

"Health care facilities" means and includes the following facilities and organizations:

1. An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;
2. An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;
3. Skilled and intermediate long term care facilities licensed under the Nursing Home Care Act;
4. Hospitals, nursing homes, ambulatory surgical treatment

centers, or kidney disease treatment centers maintained by the State or any department or agency thereof; and

5. Kidney disease treatment centers, including a free-standing hemodialysis unit.

No federally owned facility shall be subject to the provisions of this Act, nor facilities used solely for healing by prayer or spiritual means.

No facility licensed under the Supportive Residences Licensing Act or the Assisted Living and Shared Housing Act shall be subject to the provisions of this Act.

A facility designated as a supportive living facility that is in good standing with the demonstration project established under

[Feb. 24, 2000]

Section 5-5.01a of the Illinois Public Aid Code shall not be subject to the provisions of this Act.

This Act does not apply to facilities granted waivers under Section 3-102.2 of the Nursing Home Care Act. However, if a demonstration project under that Act applies for a certificate of need to convert to a nursing facility, it shall meet the licensure and certificate of need requirements in effect as of the date of application.

This Act shall not apply to the closure of an entity or a portion of an entity licensed under the Nursing Home Care Act that elects to convert, in whole or in part, to an assisted living or shared housing establishment licensed under the Assisted Living and Shared Housing Establishment Act.

With the exception of those health care facilities specifically included in this Section, nothing in this Act shall be intended to include facilities operated as a part of the practice of a physician or other licensed health care professional, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional group. Further, this Act shall not apply to physicians or other licensed health care professional's practices where such practices are carried out in a portion of a health care facility under contract with such health care facility by a physician or by other licensed health care professionals, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional groups. This Act shall apply to construction or modification and to establishment by such health care facility of such contracted portion which is subject to facility licensing requirements, irrespective of the party responsible for such action or attendant financial obligation.

"Person" means any one or more natural persons, legal entities, governmental bodies other than federal, or any combination thereof.

"Consumer" means any person other than a person (a) whose major occupation currently involves or whose official capacity within the last 12 months has involved the providing, administering or financing of any type of health care facility, (b) who is engaged in health research or the teaching of health, (c) who has a material financial interest in any activity which involves the providing, administering

or financing of any type of health care facility, or (d) who is or ever has been a member of the immediate family of the person defined by (a), (b), or (c).

"State Board" means the Health Facilities Planning Board.

"Construction or modification" means the establishment, erection, building, alteration, reconstruction, modernization, improvement, extension, discontinuation, change of ownership, of or by a health care facility, or the purchase or acquisition by or through a health care facility of equipment or service for diagnostic or therapeutic purposes or for facility administration or operation, or any capital expenditure made by or on behalf of a health care facility which exceeds the capital expenditure minimum.

"Establish" means the construction of a health care facility or the replacement of an existing facility on another site.

"Major medical equipment" means medical equipment which is used for the provision of medical and other health services and which costs in excess of the capital expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social

[Feb. 24, 2000]

Security Act to meet the requirements of paragraphs (10) and (11) of Section 1861(s) of such Act. In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

"Capital Expenditure" means an expenditure: (A) made by or on behalf of a health care facility (as such a facility is defined in this Act); and (B) which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and which exceeds the capital expenditure minimum.

For the purpose of this paragraph, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditures minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under this Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of this Act if a transfer of the equipment or facilities at fair market value would be subject to review.

"Capital expenditure minimum" means \$7,000,000 ~~\$1,000,000~~ for major medical equipment and ~~\$2,000,000~~ for all clinical ~~other~~ capital expenditures, ~~both of~~ which shall be annually adjusted to reflect the increase in construction costs due to inflation.

"Non-clinical service area" means an area for the benefit of patients, visitors, staff, or employees of the health care facility that is not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands; tunnels, walkways, and elevators; computer systems; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture.

"Areawide" means a major area of the State delineated on a geographic, demographic, and functional basis for health planning and for health service and having within it one or more local areas for health planning and health service. The term "region", as contrasted with the term "subregion", and the word "area" may be used synonymously with the term "areawide".

"Local" means a subarea of a delineated major area that on a geographic, demographic, and functional basis may be considered to be part of such major area. The term "subregion" may be used synonymously with the term "local".

"Areawide health planning organization" or "Comprehensive health planning organization" means the health systems agency designated by the Secretary, Department of Health and Human Services or any successor agency.

"Local health planning organization" means those local health

[Feb. 24, 2000]

planning organizations that are designated as such by the areawide health planning organization of the appropriate area.

"Physician" means a person licensed to practice in accordance with the Medical Practice Act of 1987, as amended.

"Licensed health care professional" means a person licensed to practice a health profession under pertinent licensing statutes of the State of Illinois.

"Director" means the Director of the Illinois Department of Public Health.

"Agency" means the Illinois Department of Public Health.

"Comprehensive health planning" means health planning concerned with the total population and all health and associated problems that affect the well-being of people and that encompasses health services, health manpower, and health facilities; and the coordination among these and with those social, economic, and environmental factors that affect health.

"Alternative health care model" means a facility or program authorized under the Alternative Health Care Delivery Act.

(Source: P.A. 90-14, eff. 7-1-97; 91-656, eff. 1-1-01.)

(20 ILCS 3960/4) (from Ch. 111 1/2, par. 1154)

Sec. 4. There is created the Health Facilities Planning Board,

which shall perform such functions as hereinafter described in this Act.

The State Board shall consist of 15 voting members, including: 8 consumer members; one member representing the commercial health insurance industry in Illinois; one member representing ~~proprietary~~ hospitals in Illinois; one member who is actively engaged in the field of hospital management; one member who is a professional nurse registered in Illinois; one member who is a physician in active private practice licensed in Illinois to practice medicine in all of its branches; one member who is actively engaged in the field of skilled nursing or intermediate care facility management; and one member who is actively engaged in the administration of an ambulatory surgical treatment center licensed under the Ambulatory Surgical Treatment Center Act.

The State Board shall be appointed by the Governor, with the advice and consent of the Senate. In making the appointments, the Governor shall give consideration to recommendations made by (1) the professional organizations concerned with hospital management for the hospital management appointment, (2) professional organizations concerned with long term care facility management for the long term care facility management appointment, (3) professional medical organizations for the physician appointment, (4) professional nursing organizations for the nurse appointment, and (5) professional organizations concerned with ambulatory surgical treatment centers for the ambulatory surgical treatment center appointment, and shall appoint as consumer members individuals familiar with community health needs but whose interest in the operation, construction or utilization of health care facilities are derived from factors other than those related to his profession, business, or economic gain, and who represent, so far as possible, different geographic areas of the State. Not more than 8 of the appointments shall be of the same political party.

The Secretary of Human Services, the Director of Public Aid, and the Director of Public Health, or their designated representatives, shall serve as ex-officio, non-voting members of the State Board.

Of those appointed by the Governor as voting members, each member shall hold office for a term of 3 years: provided, that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for

[Feb. 24, 2000]

the remainder of such term and the term of office of each successor shall commence on July 1 of the year in which his predecessor's term expires. In making original appointments to the State Board, the Governor shall appoint 5 members for a term of one year, 5 for a term of 2 years, and 3 for a term of 3 years, and each of these terms of office shall commence on July 1, 1974. The initial term of office for the members appointed under this amendatory Act of 1996 shall begin on July 1, 1996 and shall last for 2 years, and each subsequent appointment shall be for a term of 3 years. Each member shall hold office until his successor is appointed and qualified.

State Board members, while serving on business of the State Board, shall receive actual and necessary travel and subsistence

expenses while so serving away from their places of residence. In addition, while serving on business of the State Board, each member shall receive compensation of \$150 per day, except that such compensation shall not exceed \$7,500 in any one year for any member.

The State Board shall provide for its own organization and procedures, including the selection of a Chairman and such other officers as deemed necessary. The Director, with concurrence of the State Board, shall name as full-time Executive Secretary of the State Board, a person qualified in health care facility planning and in administration. The Agency shall provide administrative and staff support for the State Board. The State Board shall advise the Director of its budgetary and staff needs and consult with the Director on annual budget preparation.

The State Board shall meet at least once each quarter, or as often as the Chairman of the State Board deems necessary, or upon the request of a majority of the members.

Eight members of the State Board shall constitute a quorum. The affirmative vote of 8 of the members of the State Board shall be necessary for any action requiring a vote to be taken by the State Board. A vacancy in the membership of the State Board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the State Board as provided by this Act.

(Source: P.A. 89-674, eff. 8-14-96; 90-14, eff. 7-1-97.)

(20 ILCS 3960/4.1 new)

Sec. 4.1. Ethics laws.

(a) All State Board meetings are subject to the Open Meetings Act.

(b) The State Board is subject to the State Gift Ban Act.

(20 ILCS 3960/5) (from Ch. 111 1/2, par. 1155)

Sec. 5. After effective dates set by the State Board, no person shall construct, modify or establish a health care facility or acquire major medical equipment without first obtaining a permit or exemption from the State Board. The State Board shall not delegate to the Executive Secretary of the State Board or any other person or entity the authority to grant permits or exemptions whenever the Executive Secretary or other person or entity would be required to exercise any discretion affecting the decision to grant a permit or exemption. The State Board shall set effective dates applicable to all or to each classification or category of health care facilities and applicable to all or each type of transaction for which a permit is required. Varying effective dates may be set, providing the date or dates so set shall apply uniformly statewide.

Notwithstanding any effective dates established by this Act or by the State Board, no person shall be required to obtain a permit for any purpose under this Act until the State health facilities plan referred to in paragraph (4) of Section 12 of this Act has been approved and adopted by the State Board subsequent to public hearings having been held thereon.

[Feb. 24, 2000]

A permit or exemption shall be obtained prior to the acquisition of major medical equipment or to the construction or modification of a health care facility which:

(a) requires a total capital expenditure in excess of the capital expenditure minimum; or

(b) substantially changes the scope or changes the functional operation of the facility; or

(c) changes the bed capacity of a health care facility by increasing the total number of beds or by distributing beds among various categories of service or by relocating beds from one physical facility or site to another by more than 10 beds or more than 10% of total bed capacity as defined by the State Board, whichever is less, over a 2 year period.

A permit shall be valid only for the defined construction or modifications, site, amount and person named in the application for such permit and shall not be transferable or assignable. A permit shall be valid until such time as the project has been completed, provided that (a) obligation of the project occurs within 12 months following issuance of the permit except for major construction projects such obligation must occur within 18 months following issuance of the permit; and (b) the project commences and proceeds to completion with due diligence. Major construction projects, for the purposes of this Act, shall include but are not limited to: projects for the construction of new buildings; additions to existing facilities; modernization projects whose cost is in excess of \$1,000,000 or 10% of the facilities' operating revenue, whichever is less; and such other projects as the State Board shall define and prescribe pursuant to this Act. The State Board may extend the obligation period upon a showing of good cause by the permit holder. Permits for projects that have not been obligated within the prescribed obligation period shall expire on the last day of that period.

Persons who otherwise would be required to obtain a permit shall be exempt from such requirement if the State Board finds that with respect to establishing a new facility or construction of new buildings or additions or modifications to an existing facility, final plans and specifications for such work have prior to October 1, 1974, been submitted to and approved by the Department of Public Health in accordance with the requirements of applicable laws. Such exemptions shall be null and void after December 31, 1979 unless binding construction contracts were signed prior to December 1, 1979 and unless construction has commenced prior to December 31, 1979. Such exemptions shall be valid until such time as the project has been completed provided that the project proceeds to completion with due diligence.

The acquisition by any person of major medical equipment that will not be owned by or located in a health care facility and that will not be used to provide services to inpatients of a health care facility shall be exempt from review provided that a notice is filed in accordance with exemption requirements.

Notwithstanding any other provision of this Act, no permit or exemption is required for the construction or modification of a non-clinical service area of a health care facility.

(Source: P.A. 88-18.)

(20 ILCS 3960/19.5 new)

Sec. 19.5. Audit. Upon the effective date of this amendatory Act of the 91st General Assembly, the Auditor General must commence an audit of the State Board to determine:

(1) whether the State Board can demonstrate that the certificate of need process is successful in controlling health

care costs, allowing public access to necessary health services, and guaranteeing the availability of quality health care to the general public;

(2) whether the State Board is following its adopted rules and procedures;

(3) whether the State Board is consistent in awarding and denying certificates of need; and

(4) whether the State Board's annual reports reflect a cost savings to the State.

The Auditor General must report on the results of the audit to the General Assembly upon completion.

This Section is repealed when the Auditor General files his or her report with the General Assembly.

(20 ILCS 3960/19.6 new)

Sec. 19.6. Repeal. This Act is repealed on July 1, 2003.

Section 20. The Illinois State Auditing Act is amended by changing Section 3-1 as follows:

(30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

Sec. 3-1. Jurisdiction of Auditor General. The Auditor General has jurisdiction over all State agencies to make post audits and investigations authorized by or under this Act or the Constitution.

The Auditor General has jurisdiction over local government agencies and private agencies only:

(a) to make such post audits authorized by or under this Act as are necessary and incidental to a post audit of a State agency or of a program administered by a State agency involving public funds of the State, but this jurisdiction does not include any authority to review local governmental agencies in the obligation, receipt, expenditure or use of public funds of the State that are granted without limitation or condition imposed by law, other than the general limitation that such funds be used for public purposes;

(b) to make investigations authorized by or under this Act or the Constitution; and

(c) to make audits of the records of local government agencies to verify actual costs of state-mandated programs when directed to do so by the Legislative Audit Commission at the request of the State Board of Appeals under the State Mandates Act.

In addition to the foregoing, the Auditor General may conduct an audit of the Metropolitan Pier and Exposition Authority, the Regional Transportation Authority, the Suburban Bus Division, the Commuter Rail Division and the Chicago Transit Authority and any other subsidized carrier when authorized by the Legislative Audit Commission. Such audit may be a financial, management or program audit, or any combination thereof.

The audit shall determine whether they are operating in accordance with all applicable laws and regulations. Subject to the limitations of this Act, the Legislative Audit Commission may by resolution specify additional determinations to be included in the scope of the audit.

The Auditor General may also conduct an audit, when authorized by the Legislative Audit Commission, of any hospital which receives 10% or more of its gross revenues from payments from the State of Illinois, Department of Public Aid, Medical Assistance Program.

The Auditor General is authorized to conduct financial and compliance audits of the Illinois Distance Learning Foundation and the Illinois Conservation Foundation.

As soon as practical after the effective date of this amendatory Act of 1995, the Auditor General shall conduct a compliance and

[Feb. 24, 2000]

management audit of the City of Chicago and any other entity with regard to the operation of Chicago O'Hare International Airport, Chicago Midway Airport and Merrill C. Meigs Field. The audit shall include, but not be limited to, an examination of revenues, expenses, and transfers of funds; purchasing and contracting policies and practices; staffing levels; and hiring practices and procedures. When completed, the audit required by this paragraph shall be distributed in accordance with Section 3-14.

The Auditor General shall conduct a financial and compliance and program audit of distributions from the Municipal Economic Development Fund during the immediately preceding calendar year pursuant to Section 8-403.1 of the Public Utilities Act at no cost to the city, village, or incorporated town that received the distributions.

The Auditor General must conduct an audit of the Health Facilities Planning Board pursuant to Section 19.5 of the Illinois Health Facilities Planning Act.

(Source: P.A. 89-386, eff. 8-18-95; 90-813, eff. 1-29-99.)

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Myers, **Senate Bill No. 1281** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1281 by replacing the title with the following:

"AN ACT to amend the Agricultural Fair Act."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Agricultural Fair Act is amended by changing Sections 2, 5, 9, 10, 13, 14, 17, 18, 19, and 20 and adding Section 21.5 as follows:

(30 ILCS 120/2) (from Ch. 85, par. 652)

Sec. 2.

When used in this Act,

"Department" means Department of Agriculture.

"County fair" means a fair sponsored by a fair association or agricultural society.

"Director" means the Director of the Department of Agriculture.

"Junior exhibitor" means an exhibitor whose age is within limits established by Department rule.

(Source: P.A. 77-1208.)

(30 ILCS 120/5) (from Ch. 85, par. 655)

Sec. 5. ~~To No county fair shall~~ qualify for disbursements made by the Department from an appropriation made under provisions of this Act, each county fair should notify unless it shall have notified the

[Feb. 24, 2000]

Department in writing of its declaration of intent to participate by December 31 of the year preceding the year in which such distribution shall be made. The notification shall state the following: facts of its organization, location, officers, dates of exhibitions and approximate amount of premiums to be offered.

(Source: P.A. 77-1208.)

(30 ILCS 120/9) (from Ch. 85, par. 659)

Sec. 9. The formulas for distributing monies from the Agricultural Premium Fund to eligible county fairs shall be contingent upon the following provisions:

(a) Of the total amount of premiums which are to be paid to persons for exhibitions at its annual fair for the current year for exhibits of any events related to agricultural including horticulture, flora culture, poultry, livestock, light horses, harness-racing and running horse races, rodeos, and domestic and mechanical arts, no one Department or class shall be paid premiums awarded in excess of 30% of the total premiums awarded by the county fair except those departments or classes limited to junior exhibitors. Harness horse races and running horse races shall be considered as one department.

(b) ~~(Blank). In no case shall stall or pen rentals exceed the maximum rate per day as set by the Department for the approved exhibition period of the county fair.~~

(c) A reasonable entry fee for all classes may be charged which will not exceed the maximum limit as established by the Department.

(d) No part of any appropriation made for the benefit of county fairs shall be used in payment for personnel or acts which are solely for the entertainment of persons attending the fair or for acts which have been hired or contracted for by the fair, except events related to agriculture, including tractor pulls, truck pulls, rodeos and other acts which may be exempt in the judgment of the Director.

(e) Prizes awarded for light horses, and for harness-racing and running horses shall be payable from such appropriation.

(Source: P.A. 81-159.)

(30 ILCS 120/10) (from Ch. 85, par. 660)

Sec. 10. (a) Effective with fiscal year 1987, each county fair's authorized base shall be set at 66 2/3% of the approved amount of premium paid in either fiscal year 1984 or 1985, whichever year has the largest approved amount. The authorized base of the Gallatin, Montgomery and Massac county fairs for fiscal years 1987 and 1988 shall be \$15,000 each. If there is a change in the appropriation, the Director shall allocate to each fair the same percentages of that appropriation as it received of the authorized bases for all fairs.

(b) The Department shall reimburse each eligible county fair as follows:

100% of the first \$2,000 of approved premiums awarded at each eligible county fair in Division I, Division II or any combination of the 2 Divisions;

85% of the next \$2,000;

75% of the next \$3,000;

65% of the next \$3,000;

55% of the next \$4,000; and

50% of the remaining premiums paid until the total reimbursement equals up to the authorized base amount for each fair.

~~For the purposes of this Section, Division II includes light horses, harness horse races, running horse races, and Division I includes tractor pulls, truck pulls, rodeos, and all other departments and classes.~~

(c) If, after all approved state aid claims are paid for the current year pursuant to subsection (b) of this Section, any amount

[Feb. 24, 2000]

remains in the appropriations for state aid, that remaining amount shall be distributed on a grant basis. If the total amount of excess approved state aid claims over the authorized base is equal to or less than the remaining amount appropriated for state aid, then each participating fair shall receive a grant equivalent to the excess of its approved claim over its authorized base. If the total amount of excess approved state aid claims exceeds the remaining monies appropriated for state aid, the grants shall be distributed to the participating fairs in proportion to the total amounts of their respective excess approved claims. If, after all approved claims are paid, any amount remains, that amount shall be distributed to all county fairs eligible under this Section in proportion to their total state aid claims. Fairs filing approved claims exceeding both their authorized base and the grant provided for in this subsection shall participate in the Growth Incentive Program set forth in Section 10.1.

Grant monies received by a county fair shall be used only for premiums, awards, judge's fees, and other expenses incurred by the fair which are directly related to the operation of the fair and approved by regulation of the Department. Each fair shall file with the Department a fiscal accounting of the expenditure of the grant monies received under this subsection each year at the same time it files its report under Section 12 in relation to the fair held in the next succeeding year.

Effective with fiscal year 1989 and each odd numbered fiscal year thereafter, the authorized base of all participating county fairs shall be adjusted by applying 66 2/3% to the amount of approved premiums paid in the highest of the previous 2 fiscal years.

(Source: P.A. 84-130.)

(30 ILCS 120/13) (from Ch. 85, par. 663)

Sec. 13. State reimbursement. To qualify for disbursements made by the Department from an appropriation made under the provisions of this Section, the land on which the fair is held must be owned by the county fair board participating in this disbursement or by a State, city, village, or county government body, or be held under a lease that is at least 20 years in duration, the terms of which require the lessee to have continuous possession of the land during every day of the lease period. No county fair shall qualify for disbursements made by the Department from an appropriation made under the provisions of this Section unless it shall have notified the Department in writing of its intent to participate prior to obligating any funds for which reimbursement will be requested. Each county fair shall be reimbursed annually for that part of the amount expended by the fair during the year for liability and casualty insurance, as provided in this Section, and the rehabilitation of its grounds, including major construction projects and minor maintenance and repair projects; as follows:

100% of the first \$5,000 or any part thereof;

75% of the next \$20,000 or any part thereof;

50% of the next \$20,000 or any part thereof.

The lesser of either \$10,000 or 50% of the amount received by a county fair pursuant to this Section may be expended for liability and casualty insurance.

If a county fair expends more than is needed in any year for approved projects to maximize State reimbursement under this Section and provides itemized receipts and other evidence of expenditures for that year, any excess may be carried over to the succeeding year. The amount carried over shall constitute a claim for reimbursement for a subsequent period not to exceed 7 years as long as funds are available.

[Feb. 24, 2000]

Before June ~~30~~ 15 of each year, the president and secretary of each county fair which has participated in this program shall file with the Department a sworn statement of the amount expended during the period July 1 to June 30 ~~15~~ of the State's fiscal year, accompanied by itemized receipted bills and other evidence of expenditures. If the Department approves the claim, the State Comptroller is authorized and directed to draw a warrant payable from the Agricultural Premium Fund on the State Treasurer for the amount of the rehabilitation claims.

If after all claims are paid, there remains any amount of the appropriation for rehabilitation, the remaining amount shall be distributed as a grant to the participating fairs qualifying for the maximum reimbursement and shall be distributed to the eligible fairs on an equal basis not to exceed each eligible fair's pro rata share granted in this paragraph. A sworn statement of the amount expended

accompanied by the itemized receipted bills as evidence of expenditure must be filed with the Department by June ~~30~~ 15 of each year.

(Source: P.A. 89-96, eff. 7-7-95; 90-329, eff. 8-8-97.)

(30 ILCS 120/14) (from Ch. 85, par. 664)

Sec. 14. ~~Agricultural Extension~~ 4-H groups clubs supervised by the ~~Cooperative Extension Service of the~~ University of Illinois ~~Extension~~ and conducting at least one show or exhibition of the project work of the members and paying promptly in cash ~~the premiums awarded~~ shall be eligible to participate in an appropriation made for this purpose by the General Assembly. The provisions of this Section shall not apply to more than one show or exhibition per calendar year of any one class or type of project work. The clubs shall participate in the appropriation at a rate of not less than \$10.50 per member enrolled for the year as recorded in the State "4-H" ~~Club~~ Office. The rate per member shall be specified for each year in the Act making the appropriation for this purpose. In addition, \$400 per county is allotted for judges' fees.

The ~~County~~ Extension Leader of each County or Unit ~~Adviser, Agriculture,~~ shall certify to the State "4-H" ~~Club~~ Officer under oath, on a ~~blank~~ form furnished by the Department, the amount paid out in premiums at the show or exhibition shows for the current year, and the name of the officer or organization making the payments and the number of members enrolled for the current year. This certification shall be accompanied by itemized receipts as evidence of the certified amounts, and it must be filed with the Department before December 31 of each year. Upon receipt of the certification the Department shall reimburse the officer or organization making the payments in accordance with the provisions of this Section.

If the amount appropriated by the General Assembly for the payments of the premiums is insufficient to pay in full the amount which the ~~Agricultural~~ Extension "4-H" Groups Clubs are entitled, the sum shall be prorated among all those entitled to it.

If after all approved claims are paid and there remains any amount of the appropriation, the remaining portion shall be distributed as a grant to the participating Cooperative Extension "4-H" Groups Clubs. These monies shall be granted on a prorated basis of membership. A fiscal accounting of the expenditures of the grant monies shall be filed with the Department no later than December 31 of the year in which the club receives such grant monies.

(Source: P.A. 81-159.)

(30 ILCS 120/17) (from Ch. 85, par. 667)

Sec. 17. Any county fair eligible to participate in appropriations made from the Agricultural Premium Fund, except in counties where a Fair and Exposition Authority participated in the

[Feb. 24, 2000]

~~appropriation in 1999, of more than 600,000 but less than 1,000,000 inhabitants,~~ may elect instead in any odd numbered year to participate in the appropriation from the Fair and Exposition Fund. The Department must be notified of such election by January 1 of the year of participation in that fund. Any such election shall be binding for 4 calendar years. No county fair shall participate for

the same calendar year in appropriations under both this Fund and the Agricultural Premium Fund.

In counties where a Fair and Exposition Authority participated in 1999, the Authority shall continue to participate with more than 600,000 but less than 1,000,000 inhabitants, there shall be created a Fair and Exposition Authority for purposes of participating in the appropriation from the Fair and Exposition Fund. The Fair and Exposition Authority shall consist of 7 members appointed by the county board chairman with the advice and consent of the county board.

(Source: P.A. 87-1219.)

(30 ILCS 120/18) (from Ch. 85, par. 668)

Sec. 18. Money shall be paid into the Fair and Exposition Fund by the Illinois Racing Board, as provided in Section 28 of the Illinois Horse Racing Act of 1975. The General Assembly shall from time to time make appropriations payable from such fund to the Department for distribution to county fairs ~~in counties having a population of less than 600,000~~ and to any Fair and Exposition Authority that participated in the appropriation in 1999 in counties with a population of more than 600,000 but less than 1,000,000 inhabitants. Such appropriations shall be distributed by the Department to county fairs which are eligible to participate in appropriations made from the Agricultural Premium Fund but which elect instead to participate in appropriations made from the Fair and Exposition Fund and to Fair and Exposition Authorities that participated in the appropriation in 1999 in counties having a population of more than 600,000 but less than 1,000,000 inhabitants. If a county has more than one county fair, such fairs shall jointly elect to participate either in appropriations made from the Agricultural Premium Fund or in appropriations made from the Fair and Exposition Fund. All participating county fairs of the same county shall participate in the same appropriation. A participant, to be eligible to expend moneys appropriated ~~receive appropriations~~ from the Fair and Exposition Fund for the purchase of new or additional land construction or maintenance of buildings, grounds, facilities, infrastructure, or any improvement to the grounds must hold the land on which such fair or exposition is to be conducted as a fee or under a lease of at least 20 years, the terms of which require the lessee to have continuous possession of the land during every day of the lease period. duration, except counties with more than 600,000 but less than 1,000,000 inhabitants where the participant shall be the Fair and Exposition Authority. Before receiving a distribution of monies from the fund, the treasurer or other financial officer of a participant shall file with the Director a penal bond in an amount equaling the sums to be distributed, and conditioned upon the lawful expenditure of the money so distributed. The cost of such bond may be paid from such money.

(Source: P.A. 87-1219.)

(30 ILCS 120/19) (from Ch. 85, par. 669)

Sec. 19. Each year, beginning in State fiscal year 2001, each county fair or Fair and Exposition Authority that received moneys from the Fair and Exposition Fund during State fiscal year 1999 shall receive from that Fund a proportion equal to that proportion received in State fiscal year 1999. If an eligible county fair elects to

[Feb. 24, 2000]

begin participation in an appropriation from the Fair and Exposition Fund in State fiscal year 2001 or thereafter, an additional amount shall be appropriated not to exceed an amount equal to the number representing the last official census of that county multiplied by the amount determined by dividing the amount appropriated for State fiscal year 1999 by the total official census of those counties that participated in State fiscal year 1999, except that no county fair shall receive an amount greater than the largest amount received by a county fair or Fair and Exposition Authority in 1999. in counties having a population of more than 600,000 but less than 1,000,000 inhabitants shall receive that proportion of the total amount appropriated for distribution from the Fair and Exposition Fund as the population of such county bears to the total population of all counties having fairs or in counties of more than 600,000 but less than 1,000,000 inhabitants having a Fair and Exposition Authority participating in such appropriation. In the event a county has more than one fair participating in such appropriation, that county's share shall be divided equally among them.

(Source: P.A. 87-1219.)

(30 ILCS 120/20) (from Ch. 85, par. 670)

Sec. 20. Appropriations made from the Fair and Exposition Fund may be used for financing agricultural, industrial, cultural, educational, trade and scientific exhibits and for constructing, equipping, and maintaining auditoriums, exposition buildings, and viewing stands, and for other related expenditures necessary to protect and utilize such facilities and grounds, including expenditures for such things as sewers, utilities, paved parking areas, security fences, retaining walls, and for such other purposes as may be approved by the Department by regulation, or for payment of the principal of, and interest upon, revenue bonds issued for any of such purposes. In any instance where a participant in this fund is authorized by statute to use such appropriations for other related and specifically designated purposes, such use by such participant shall be deemed authorized by this Section. Neither appropriation made from the Fair and Exposition Fund nor auditoriums or exposition buildings constructed or equipped pursuant to this Section shall be used for any of the purposes designated in Sections 3 through 8 and 10 through 13. A county fair which elects to receive an appropriation from the Fair and Exposition Fund may, upon written notification to the Director, allocate up to 66 2/3% of the money received from the Department for premium and award purposes as set forth in subsections (a) through (e) of Section 9.

In addition, county fairs eligible to participate in the Fair and Exposition Fund appropriation that hold the land on which the county fair is conducted as a fee or under a lease of at least 20 years, the terms of which require the lessee to have continuous possession of the land during every day of the lease period, may be reimbursed for expenditures for purchase of new or additional land, construction or maintenance of buildings, facilities, grounds, or infrastructure, or improvements to the grounds.

(Source: P.A. 84-130.)

(30 ILCS 120/21.5 new)

Sec. 21.5. No county fair shall qualify for disbursements made by the Department from an appropriation made under the provisions of

this Act unless it notifies the Department in writing of its declaration of intent to participate by December 31 of the year preceding the year in which such distribution shall be made. The notification shall state the following: the facts of its organization, location, officers, dates of exhibitions, approximate amount of premiums to be offered and the estimated amounts to be

[Feb. 24, 2000]

43

expended, and the purpose for the expenditures. Before the end of the calendar year following the expenditure, each participant receiving money shall make an accounting of it to the Director.

(30 ILCS 120/15 rep.)

(30 ILCS 120/21 rep.)

Section 10. The Agricultural Fair Act is amended by repealing Sections 15 and 21."

Senator Myers offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1281, AS AMENDED, with reference to the page and line numbers of Senate Amendment No. 1, on page 10, in line 7, by changing "1999" to "2000"; and on page 10, in lines 7 and 8, by changing "a proportion equal to that proportion" to "an amount equal to that"; and on page 10, in line 9, by changing "1999" to "2000"; and on page 10, in line 15, by changing "1999" to "2000"; and on page 10, in line 17, by changing "1999" to "2000"; and on page 10, in line 20, by changing "1999" to "2000".

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Dillard, **Senate Bill No. 1288** having been printed, was taken up and read by title a second time.

Senator Dillard offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1288 by replacing the title with the following:

"AN ACT concerning liquefied petroleum gas."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Liquefied Petroleum Gas Container Act is amended by changing Section 6 as follows:

(430 ILCS 10/6) (from Ch. 96 1/2, par. 5706)

Sec. 6. Violations. Any person who shall fail to comply with any of the foregoing provisions of this Act shall be deemed guilty of a Class B misdemeanor, for which the fine shall be not less than \$1,000 and not more than \$1,500 for each offense.

(Source: P.A. 77-2554.)

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Cronin, **Senate Bill No. 1368** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Radogno, **Senate Bill No. 1391** having been

[Feb. 24, 2000]

44

printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Environment and Energy, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1391 by replacing everything after the enacting clause with the following:

"Section 5. The Environmental Protection Act is amended by adding Section 10.1 as follows:

(415 ILCS 5/10.1 new)

Sec. 10.1. Limestone quarry operation; fugitive dust control plan; rules.

(a) The Agency shall publish notice of and hold a hearing, pursuant to Section 252 of Title 35 of the Illinois Administrative Code, on an application for an air pollution control permit for a crushed and broken limestone quarry operation in the PM10 nonattainment area, as defined in Section 212.324 of Title 35 of the Illinois Administrative Code.

The Agency shall also provide public notice of and make available for public comment at the hearing a fugitive dust control plan required pursuant to Section 212.309 of Title 35 of the Illinois Administrative Code for any source for which a hearing is required under this Section. The Agency must approve or deny the fugitive dust control plan based on criteria established by Board rule.

(b) Within 60 days after the effective date of this Section, the Agency shall review existing rules relating to fugitive dust control plans and propose to the Board additional rules specifying in detail the required contents of those plans. At a minimum, the rules shall (i) require that a fugitive dust control plan provide stringent safeguards to protect the life, health, safety, and comfort of the residents of areas surrounding a crushed and broken limestone quarry operation and (ii) include a procedure under which the permittee is required to accept and respond to public comment and address public concerns relating to fugitive dust control throughout the term of the permit. The Board shall consider and adopt the proposed rules as expeditiously as may be practical.

Section 99. Effective date. This Act takes effect upon becoming law."

Senator Radogno offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1391, AS AMENDED, with reference to the page and line numbers of Senate Amendment No. 1, on page 1, in line 11, before "air", by inserting "initial"; and on page 1, in line 12, before "permit", by inserting "operating"; and
on page 1, in line 15, before the period, by inserting ", and when a permit holder is requesting a major modification that will increase the total potential of such a quarry operation to emit fugitive emissions"; and
on page 2, line 1, by replacing "60" with "180"; and
on page 2, line 3, after "plans", by inserting "for a crushed and broken limestone quarry operation in a PM10 nonattainment area, as defined in Section 212.324 of Title 35 of the Illinois Administrative Code"; and
on page 2, lines 7 and 8, by replacing "health, safety, and comfort of the" with "health, and safety of and minimize the nuisance to the".

[Feb. 24, 2000]

45

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator W. Jones, **Senate Bill No. 1404** having been printed, was taken up and read by title a second time.

Floor Amendment No. 1 was filed earlier today and referred to the Committee on Rules.

There being no further amendments the bill was ordered to a third reading.

On motion of Senator Cronin, **Senate Bill No. 1447** having been printed, was taken up and read by title a second time.

Senator Cronin offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1447 on page 13, line 33, by replacing "shall" with "may".

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Radogno, **Senate Bill No. 1453** having been printed, was taken up and read by title a second time.

Floor Amendment No. 1 was filed earlier today and referred to the Committee on Rules.

There being no further amendments the bill was ordered to a third reading.

On motion of Senator Bomke, **Senate Bill No. 1504** having been printed, was taken up and read by title a second time.

Senator Bomke offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1504 on page 1, by inserting below line 26 the following:

"(c) All otherwise lawful actions taken before the effective date of this Section in reliance on or pursuant to Section 11-90-5 or 11-90-6 of this Code by any officer or agency of State government or of the City of Springfield or by any other person or entity are hereby validated.

(d) This Section applies to all claims, civil actions, and proceedings arising out of actions taken in reliance on or pursuant to Section 11-90-5 or 11-90-6 of this Code that are pending on or filed on or after the effective date of this amendatory Act of the 91st General Assembly."

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

[Feb. 24, 2000]

On motion of Senator Parker, **Senate Bill No. 1510** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Public Health and Welfare, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1510 on page 1, in line 17, by replacing "The" with "Subject to appropriation, the".

Senator Parker offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1510 on page 1, in line 23, by replacing "attitudes" with "awareness".

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Cronin, **Senate Bill No. 1540** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1540 on page 1, line 14, after "professional" by inserting "fund raising"; and on page 3, line 12, after "public", by inserting "for a charitable organization required to file an annual report under Section 4 of this Act"; and on page 3, line 15, after "General", by inserting "of Illinois"; and on page 3, line 19, after "used", by inserting "or distributed within Illinois by the charitable organization in a calendar year"; and on page 3, immediately below line 19, by inserting the following:

"(8) Solicits or seeks a contribution from the public through the use of a telephone for a charitable organization required to file an annual report under Section 4 of this Act, the telephone call must include a statement by the solicitor that a copy of the charitable organization's annual financial report is or will be on file at the Office of the Attorney General of Illinois and available for public inspection".

(b-5) A charitable organization, professional fundraiser, trustee, professional fund raising consultant, or professional solicitor when making telephone solicitations for a contribution to a charitable organization may not place a block on its telephone numbers to keep the telephone numbers from appearing on a recipient's caller ID. For the purposes of this subsection, "caller ID" means the display to the recipient of a call the caller's telephone number or identity."; and

on page 3, line 23, after "years" by inserting "at the discretion of a court of chancery based upon the equities"; and

on page 3, line 33, after "professional" by inserting "fund raising"; and

on page 4, line 3, after "(b)", by inserting "or fails to include the statement required by item (8) of subsection (b) in a telephone call"; and

on page 4, line 7, after "in use", by inserting "or when the

[Feb. 24, 2000]

telephone call failing to include the statement is made".

Senator Cronin offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1540, AS AMENDED, in Section 5, Sec. 15, subsection (b), item (8), after "Section 4 of this Act," by inserting "and said calls are made by callers paid to be making

said calls,"; and
in Section 5, Sec. 15, subsection (b), item (8), by replacing
"solicitor" with "caller"; and
in Section 5, Sec. 15, immediately below subsection (d), by inserting
the following:

"(e) In imposing relief for violations of items (7) and (8) of
subsection (b) of this Section, the court shall take into
consideration the violator's knowledge of the provisions, whether the
violator is an unpaid volunteer, prior notice, prior warnings, and
the magnitude of the violation; the court may fashion mandatory
injunctive relief to compel compliance in substitute or in
furtherance of the foregoing relief provided at law or by this
Section, as the equities may require."

The motion prevailed and the amendment was adopted and ordered
printed.

There being no further amendments, the foregoing Amendments
numbered 1 and 2, were ordered engrossed; and the bill, as amended,
was ordered to a third reading.

On motion of Senator T. Walsh, **Senate Bill No. 1550** having been
printed, was taken up and read by title a second time.

Senator T. Walsh offered the following amendment and moved its
adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1550 on page 1, line 29, by
inserting after "district" the following:
"organized under the Downstate Forest Preserve District Act"; and
on page 1, line 30, by replacing "that area" with the following:
"500 feet of the building from which the food is dispensed".

The motion prevailed and the amendment was adopted and ordered
printed.

Senator Weaver offered the following amendment:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1550, AS AMENDED, on page 1,
by replacing line 31 with the following:
"governing board of the district, or in a building owned by a Local
Mass Transit District organized under the Local Mass Transit District
Act, subject to the approval of the governing Board of the District,
or in Bicentennial Park or".

Senator T. Walsh moved the adoption of the foregoing amendment.

The motion prevailed and the amendment was adopted and ordered
printed.

There being no further amendments, the foregoing Amendments
numbered 1 and 2, were ordered engrossed; and the bill, as amended,
was ordered to a third reading.

[Feb. 24, 2000]

SENATE BILL TABLED

Senator T. Walsh moved that **Senate Bill No. 1561**, on the order of second reading, be ordered to lie on the table.

The motion to table prevailed.

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator Silverstein, **Senate Bill No. 1567** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1567 as follows:
on page 2, by deleting lines 2 through 28; and
on page 9, below line 11, by inserting the following:

"The requirement of the signature of an additional witness imposed by this amendatory Act of the 91st General Assembly applies only to instruments executed on or after the effective date of this amendatory Act of the 91st General Assembly."

Senator Silverstein offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1567 as follows:
on page 1, by replacing lines 14 through 16 with the following:
"(i) a physician licensed to practice medicine in all its branches has examined the principal and has determined that the principal lacks decision making capacity; and (ii) that physician"; and
on page 2, immediately below line 1, by inserting the following:

"(c) If an agent is required to provide records under subsection (b) of this Section and no evidence of wrongdoing is discovered, that agent may bring a civil action for reimbursement of costs incurred. In that action the agent must name as defendant the party that requested the records. The named defendant may be a person who reported a suspicion of wrongdoing to any agency designated to receive such reports, or the named defendant may be the agency itself. The agent may recover reasonable attorney fees and reasonable costs incurred as a result of providing the required records. The circuit court shall determine in its discretion the reasonable costs to which the agent is entitled for reimbursement."

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Molaro, **Senate Bill No. 1588** having been printed, was taken up and read by title a second time.

Floor Amendment No. 1 was held in the Committee on Rules.

Senator Molaro offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1588 as follows:
by replacing everything after the enacting clause with the following:

[Feb. 24, 2000]

49

"Section 5. The Illinois Vehicle Code is amended by changing Section 12-801 as follows:

(625 ILCS 5/12-801) (from Ch. 95 1/2, par. 12-801)

Sec. 12-801. Color and signs.

(a) The exterior of each school bus shall be national school bus glossy yellow except as follows:

The rooftop may be white.

The fenders of school buses manufactured before January 1, 1976, may be black.

Body trim, rub rails, lettering other than on a stop signal arm and bumpers on a Type I school bus shall be glossy black.

Lettering on a stop signal arm shall be white on a red background.

Bumpers on a Type II school bus may be glossy black or a bright, light or colorless finish.

The hood and upper cowl may be lusterless black or lusterless school bus yellow.

Grilles on the front, lamp trim and hubcaps may be a bright finish.

The name or emblem of a manufacturer may be colorless or any color.

The exterior paint of any school bus shall match the central value, hue and chroma set forth in rules promulgated by the Department.

(b) Local school boards may elect, and any school bus company may agree, to display signs bearing public service messages on their Type I school buses. The signs may be of any color, may be no larger than 2 feet in height and 6 feet in width, and may be displayed within frames on either side or both sides of any Type I school bus. Local school boards electing to display these signs on their Type I school buses shall adopt rules regarding the content of the signs.

(Source: P.A. 88-415; 89-433, eff. 12-15-95.)

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed and the amendment was adopted and ordered printed.

Floor Amendment No. 3 was filed earlier today and referred to the Committee on Rules.

There being no further amendments, the foregoing Amendment No. 2, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Parker, **Senate Bill No. 1626** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Transportation, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1626, as follows:
on page 2, line 9 by inserting after the period the following: "A State Police officer may request that the operator of a commercial motor vehicle have his or her eyes examined or tested with pupillometer device." and
in line 10 by replacing "law enforcement" with "State Police"
and in line 12 by changing "shall" to "may".

Senator Parker offered the following amendment and moved its adoption:

[Feb. 24, 2000]

50

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1626, AS AMENDED, as follows:
by replacing everything after the enacting clause with the following:
"Section 5. The Illinois Vehicle Code is amended by changing Section 11-501.5 as follows:

(625 ILCS 5/11-501.5) (from Ch. 95 1/2, par. 11-501.5)

Sec. 11-501.5. Preliminary Breath Screening Test. (a) If a law enforcement officer has reasonable suspicion to believe that a person is violating or has violated Section 11-501 or a similar provision of a local ordinance, the officer, prior to an arrest, may request the person to provide a sample of his or her breath for a preliminary breath screening test using a portable device approved by the Department of Public Health. The person may refuse the test. The results of this preliminary breath screening test may be used by the law enforcement officer for the purpose of assisting with the determination of whether to require a chemical test as authorized under Sections 11-501.1 and 11-501.2, and the appropriate type of test to request. Any chemical test authorized under Sections 11-501.1 and 11-501.2 may be requested by the officer regardless of the result of the preliminary breath screening test, if probable cause for an arrest exists. The result of a preliminary breath screening test may be used by the defendant as evidence in any administrative or court proceeding involving a violation of Section 11-501 or 11-501.1.

(b) The Department of State Police shall create a pilot program to establish the effectiveness of pupillometer technology (the measurement of the pupil's reaction to light) as a non-invasive technique to detect and measure possible impairment of any person who drives or is in actual physical control of a motor vehicle resulting from the suspected usage of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof. This technology shall also be used to detect fatigue levels of the operator of a Commercial Motor Vehicle as defined in Section 6-500(6), pursuant to Section 18b-105 (Part 395-Hours of Service of Drivers) of the Illinois Vehicle Code. A State Police officer may request that the operator of a commercial motor vehicle have his or her eyes examined or tested with a pupillometer device. The person may refuse the examination or test. The State Police officer shall have the device readily available to limit undue delays.

If a State Police officer has reasonable suspicion to believe that a person is violating or has violated Section 11-501, the officer may use the pupillometer technology, when available. The officer, prior to an arrest, may request the person to have his or her eyes examined or tested with a pupillometer device. The person may refuse the examination or test. The results of this examination or test may be used by the officer for the purpose of assisting with the determination of whether to require a chemical test as authorized under Sections 11-501.1 and 11-501.2 and the appropriate type of test to request. Any chemical test authorized under Sections 11-501.1 and 11-501.2 may be requested by the officer regardless of the result of the pupillometer examination or test, if probable cause for an arrest exists. The result of the examination or test may be used by the defendant as evidence in any administrative or court proceeding involving a violation of 11-501 or 11-501.1.

The pilot program shall last for a period of 18 months and involve the testing of 15 pupillometer devices. Within 90 days of the completion of the pilot project, the Department of State Police shall file a report with the President of the Senate and Speaker of the House evaluating the project.

(Source: P.A. 88-169.)

[Feb. 24, 2000]

51

Section 99. Effective date. The Act takes effect upon becoming law."

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Parker, **Senate Bill No. 1655** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Rauschenberger, **Senate Bill No. 1707** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sieben, **Senate Bill No. 1733** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Agriculture and Conservation, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1733 on page 1, by deleting lines 19 through 23.

Senator Sieben offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1733 on page 1, by replacing lines 8 through 23 with the following:

"(20 ILCS 205/205-435 new)

Sec. 205-435. Monetary penalties. The Department may establish, by rule, and collect monetary penalties for the failure of a person to pay any fee or penalty required by law to be paid to the Department.

(20 ILCS 205/205-440 new)

Sec. 205-440. Revocation of licenses, certifications, permits, seals, marks, registrations, or other authorizations to operate. The Department may revoke any license, certification, permit, seal, mark, registration, or other authorization to operate issued by the Department if the person who holds the license, certification, permit, seal, mark, registration, or other authorization to operate fails to pay any fee or penalty required by law to be paid to the Department."

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1 and 2, were ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator T. Walsh, **Senate Bill No. 1841** having been printed, was taken up and read by title a second time.

Senator T. Walsh offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1841 by deleting line 31 on

[Feb. 24, 2000]

page 13 through line 18 on page 14; and
on page 14, by replacing line 20 with the following:
"changing Section 14-110 as follows:"; and
by deleting line 7 on page 26 through line 23 on page 28; and
on page 30, by deleting lines 9 through 25.

The motion prevailed and the amendment was adopted and ordered printed.

Floor Amendment No. 2 was tabled in Committee by the Sponsor.

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Maitland, **Senate Bill No. 1851** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Noland, **Senate Bill No. 1876** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Agriculture and Conservation, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1876 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Farm Development Act is amended by changing Section 7.2 as follows:

(20 ILCS 3605/7.2)

Sec. 7.2. Interest-buy-back program.

(a) The Illinois Farm Development Authority shall establish an interest-buy-back program to subsidize the interest cost on certain loans to Illinois farmers.

(b) To be eligible an applicant must (i) be a resident of Illinois; (ii) be a principal operator of a farm or land; (iii) derive at least 50% of annual gross income from farming; and (iv) have a net worth of at least \$10,000. The Authority shall establish minimum and maximum financial requirements, maximum payment amounts, starting and ending dates for the program, and other criteria.

(c) Lenders may apply on behalf of eligible applicants on forms provided by the Authority. Lenders may submit requests for payment on forms provided by the Authority. Lenders and applicants shall be responsible for any fees or charges the Authority may require.

(d) The Authority shall make payments to lenders from available appropriations from the General Revenue Fund.

(Source: P.A. 91-281, eff. 7-23-99.)".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Maitland, **Senate Bill No. 1885** having been printed, was taken up, read by title a second time and ordered to a third reading.

At the hour of 11:55 o'clock a.m., Senator Dudycz presiding.

SENATE BILLS RECALLED

On motion of Senator Dillard, **Senate Bill No. 1231** was recalled
[Feb. 24, 2000]

53

from the order of third reading to the order of second reading.

Senator Dillard offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1231, AS AMENDED, by replacing the title with the following:

"AN ACT in relation to secured transactions."; and
by replacing everything after the enacting clause with the following:

"Section 5. The Uniform Commercial Code is amended by changing Sections 9-101, 9-102, 9-103, 9-104, 9-105, 9-106, 9-107, 9-108, 9-109, 9-110, 9-112, 9-113, 9-114, 9-115, 9-116, 9-150, 9-201, 9-202,

9-203, 9-204, 9-205, 9-205.1, 9-206, 9-207, 9-208, 9-301, 9-302, 9-303, 9-304, 9-305, 9-306, 9-306.01, 9-306.02, 9-307, 9-307.1, 9-307.2, 9-308, 9-309, 9-310, 9-311, 9-312, 9-313, 9-314, 9-315, 9-316, 9-317, 9-318, 9-401, 9-401A, 9-402, 9-403, 9-404, 9-405, 9-406, 9-407, 9-408, 9-410, 9-501, 9-502, 9-503, 9-504, 9-505, 9-506, 9-507, 9-9901, and 9-9902, adding Sections 9-209, 9-210, 9-315.01, 9-315.02, 9-319, 9-320, 9-320.1, 9-320.2, 9-321, 9-322, 9-323, 9-324, 9-325, 9-326, 9-327, 9-328, 9-329, 9-330, 9-331, 9-332, 9-333, 9-334, 9-335, 9-336, 9-337, 9-338, 9-339, 9-340, 9-341, 9-342, 9-409, 9-508, 9-509, 9-510, 9-511, 9-512, 9-513, 9-514, 9-515, 9-516, 9-517, 9-518, 9-519, 9-520, 9-521, 9-522, 9-523, 9-524, 9-525, 9-526, 9-527, 9-601, 9-602, 9-603, 9-604, 9-605, 9-606, 9-607, 9-608, 9-609, 9-610, 9-611, 9-612, 9-613, 9-614, 9-615, 9-616, 9-617, 9-618, 9-619, 9-620, 9-621, 9-622, 9-623, 9-624, 9-625, 9-626, 9-627, 9-628, 9-701, 9-702, 9-703, 9-704, 9-705, 9-706, 9-707, 9-708, 9-709, and 9-710 changing the headings of Article 9 and Parts 1, 2, 3, 4, 5, and 99 of Article 9, and adding headings of Parts 6 and 7 of Article 9, Subparts 1 and 2 of Part 1 of Article 9, Subparts 1 and 2 of Part 2 of Article 9, Subparts 1, 2, 3, and 4 of Part 3 of Article 9, Subparts 1 and 2 of Part 5 of Article 9, and Subparts 1 and 2 of Part 6 of Article 9 as follows:

(810 ILCS 5/Art. 9 heading)

ARTICLE 9

~~SECURED TRANSACTIONS: SALES OF ACCOUNTS,
CONTRACT RIGHTS AND CHATTEL PAPER~~

(810 ILCS 5/Art. 9, Part 1 heading)

PART 1. GENERAL PROVISIONS

~~SHORT TITLE, APPLICABILITY AND DEFINITIONS~~

(810 ILCS 5/Art. 9, Part 1, Subpart 1 heading new)

SUBPART 1. SHORT TITLE, DEFINITIONS, AND GENERAL CONCEPTS

(810 ILCS 5/9-101) (from Ch. 26, par. 9-101)

Sec. 9-101. Short title. This Article may be cited as Uniform Commercial Code-Secured Transactions. ~~Short title. This Article shall be known and may be cited as Uniform Commercial Code-Secured Transactions.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-102) (from Ch. 26, par. 9-102)

Sec. 9-102. Definitions and index of definitions.

(a) Article 9 definitions. In this Article:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2) "Account", except as used in "account for", means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation

[Feb. 24, 2000]

incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or

charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State. The term includes health-care-insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting", except as used in "accounting for", means a record:

(A) authenticated by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(A) which secures payment or performance of an obligation for:

(i) goods or services furnished in connection with a debtor's farming operation; or

(ii) rent on real property leased by a debtor in connection with its farming operation;

(B) which is created by statute in favor of a person that:

(i) in the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; or

(ii) leased real property to a debtor in connection with the debtor's farming operation; and

(C) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(A) oil, gas, or other minerals that are subject to a security interest that:

(i) is created by a debtor having an interest in the minerals before extraction; and

(ii) attaches to the minerals as extracted; or

(B) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(A) to sign; or

(B) to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the

business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specified goods and a license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

(A) proceeds to which a security interest attaches;

(B) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(C) goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(A) the claimant is an organization; or

(B) the claimant is an individual and the claim:

(i) arose in the course of the claimant's business or profession; and

(ii) does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(A) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or

(B) traded on a foreign commodity board of trade,

exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(A) is registered as a futures commission merchant under federal commodities law; or

(B) in the ordinary course of its business provides clearance or settlement services for a board of trade that

[Feb. 24, 2000]

56

has been designated as a contract market pursuant to federal commodities law.

(18) "Communicate" means:

(A) to send a written or other tangible record;

(B) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(C) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(19) "Consignee" means a merchant to which goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(A) the merchant:

(i) deals in goods of that kind under a name other than the name of the person making delivery;

(ii) is not an auctioneer; and

(iii) is not generally known by its creditors to be substantially engaged in selling the goods of others;

(B) with respect to each delivery, the aggregate value of the goods is \$1,000 or more at the time of delivery;

(C) the goods are not consumer goods immediately before delivery; and

(D) the transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(A) an individual incurs an obligation primarily for personal, family, or household purposes; and

(B) a security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or

household purposes.

(26) "Consumer transaction" means a transaction in which (i) an individual incurs an obligation primarily for personal, family, or household purposes, (ii) a security interest secures the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement which:

(A) identifies, by its file number, the initial financing statement to which it relates; and

(B) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(A) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

[Feb. 24, 2000]

57

(B) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(C) a consignee.

(29) "Deposit account" means a demand, time, savings, passbook, nonnegotiable certificates of deposit, uncertificated certificates of deposit, nontransferrable certificates of deposit, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in Section 7-201(2).

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(A) crops grown, growing, or to be grown, including:

(i) crops produced on trees, vines, and bushes;
and

(ii) aquatic goods produced in aquacultural operations;

(B) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(C) supplies used or produced in a farming operation;
or

(D) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement pursuant to Section 9-519(a).

(37) "Filing office" means an office designated in Section 9-501 as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted pursuant to Section 9-526.

(39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying Section 9-502(a) and (b). The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance

[Feb. 24, 2000]

of reasonable commercial standards of fair dealing.

(44) "Goods" means all things that are movable when a security interest attaches. The term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a State, or a foreign country. The term includes an organization having a separate corporate

existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided.

(47) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include (i) investment property, (ii) letters of credit, (iii) nonnegotiable certificates of deposit, (iv) uncertificated certificates of deposit, (v) nontransferrable certificates of deposit, or (vi) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, which:

(A) are leased by a person as lessor;

(B) are held by a person for sale or lease or to be furnished under a contract of service;

(C) are furnished by a person under a contract of service; or

(D) consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization", with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand

[Feb. 24, 2000]

payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(A) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(B) an assignee for benefit of creditors from the time of assignment;

(C) a trustee in bankruptcy from the date of the filing of the petition; or

(D) a receiver in equity from the time of appointment.

(53) "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is

built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(A) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(B) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under Section 9-203(d) by a security agreement previously entered into by another person.

(57) "New value" means (i) money, (ii) money's worth in property, services, or new credit, or (iii) release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor", except as used in Section 9-310(c), means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under Section 9-203(d).

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary

[Feb. 24, 2000]

obligation.

(62) "Person related to", with respect to an individual, means:

(A) the spouse of the individual;

(B) a brother, brother-in-law, sister, or sister-in-law of the individual;

(C) an ancestor or lineal descendant of the individual or the individual's spouse; or

(D) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to", with respect to an organization, means:

(A) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(B) an officer or director of, or a person performing similar functions with respect to, the organization;

(C) an officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (A);

(D) the spouse of an individual described in subparagraph (A), (B), or (C); or

(E) an individual who is related by blood or marriage to an individual described in subparagraph (A), (B), (C), or (D) and shares the same home with the individual.

(64) "Proceeds", except as used in Section 9-609(b), means the following property:

(A) whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(B) whatever is collected on, or distributed on account of, collateral;

(C) rights arising out of collateral;

(D) to the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

(E) to the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to Sections 9-620, 9-621, and 9-622.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(A) debt securities are issued;

(B) all or a portion of the securities issued have an initial stated maturity of at least 20 years; and

(C) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a State or a governmental unit of a

State.

(68) "Pursuant to commitment", with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record", except as used in "for record", "of record", "record or legal title", and "record owner", means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single State or the United States and as to which the State or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(A) the obligor's obligation is secondary; or

(B) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

(A) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(B) a person that holds an agricultural lien;

(C) a consignor;

(D) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(E) a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or

(F) a person that holds a security interest arising under Section 2-401, 2-505, 2-711(3), 2A-508(5), 4-210, or 5-118.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send", in connection with a record or notification, means:

(A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(B) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A).

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

(76) "State" means a State of the United States, the District of Columbia, Puerto Rico, the United States Virgin

Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

[Feb. 24, 2000]

62

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing statement which:

(A) identifies, by its file number, the initial financing statement to which it relates; and

(B) indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

(A) operating a railroad, subway, street railway, or trolley bus;

(B) transmitting communications electrically, electromagnetically, or by light;

(C) transmitting goods by pipeline or sewer; or

(D) transmitting or producing and transmitting electricity, steam, gas, or water.

(b) Definitions in other Articles. The following definitions in other Articles apply to this Article:

"Applicant". Section 5-102.

"Beneficiary". Section 5-102.

"Broker". Section 8-102.

"Certificated security". Section 8-102.

"Check". Section 3-104.

"Clearing corporation". Section 8-102.

"Contract for sale". Section 2-106.

"Customer". Section 4-104.

"Entitlement holder". Section 8-102.

"Financial asset". Section 8-102.

"Holder in due course". Section 3-302.

"Issuer" (with respect to a letter of Credit or letter-of-credit right). Section 5-102.

"Issuer" (with respect to a security). Section 8-201.

"Lease". Section 2A-103.

"Lease agreement". Section 2A-103.

"Lease contract". Section 2A-103.

"Leasehold interest". Section 2A-103.

"Lessee". Section 2A-103.

"Lessee in ordinary course of business". Section 2A-103.

"Lessor". Section 2A-103.

"Lessor's residual interest". Section 2A-103.

"Letter of credit". Section 5-102.

"Merchant". Section 2-104.

"Negotiable instrument". Section 3-104.
"Nominated person". Section 5-102.
"Note". Section 3-104.
"Proceeds of a letter of credit". Section 5-114.
"Prove". Section 3-103.
"Sale". Section 2-106.
"Securities account". Section 8-501.
"Securities intermediary". Section 8-102.
"Security". Section 8-102.
"Security certificate". Section 8-102.
"Security entitlement". Section 8-102.
"Uncertificated security". Section 8-102.

(c) Article 1 definitions and principles. Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article. Policy and Subject Matter of

[Feb. 24, 2000]

~~Article.~~

~~(1) Except as otherwise provided in Section 9-104 on excluded transactions, this Article applies~~

~~(a) to any transaction (regardless of its form) which is intended to create a security interest in personal property or fixtures including goods, documents, instruments, general intangibles, chattel paper or accounts; and also~~

~~(b) to any sale of accounts or chattel paper.~~

~~(2) This Article applies to security interests created by contract including pledge, assignment, chattel mortgage, chattel trust, trust deed, factor's lien, equipment trust, conditional sale, trust receipt, other lien or title retention contract and lease or consignment intended as security. This Article does not apply to statutory liens except as provided in Section 9-310.~~

~~(3) The application of this Article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this Article does not apply.~~

~~(4) The application of this Article to a security interest in a deposit account shall not displace a common law right of set-off of the secured party as to a deposit account maintained with the secured party.~~

~~(Source: P.A. 87-1037.)~~

~~(810 ILCS 5/9-103) (from Ch. 26, par. 9-103)~~

~~Sec. 9-103. Purchase-money security interest; application of payments; burden of establishing.~~

~~(a) Definitions. In this Section:~~

~~(1) "purchase-money collateral" means goods or software that secures a purchase-money obligation incurred with respect to that collateral; and~~

~~(2) "purchase-money obligation" means an obligation of an obligor incurred as all or part of the price of the collateral or for value given to enable the debtor to acquire rights in or the use of the collateral if the value is in fact so used.~~

~~(b) Purchase-money security interest in goods. A security interest in goods is a purchase-money security interest:~~

(1) to the extent that the goods are purchase-money collateral with respect to that security interest;

(2) if the security interest is in inventory that is or was purchase-money collateral, also to the extent that the security interest secures a purchase-money obligation incurred with respect to other inventory in which the secured party holds or held a purchase-money security interest; and

(3) also to the extent that the security interest secures a purchase-money obligation incurred with respect to software in which the secured party holds or held a purchase-money security interest.

(c) Purchase-money security interest in software. A security interest in software is a purchase-money security interest to the extent that the security interest also secures a purchase-money obligation incurred with respect to goods in which the secured party holds or held a purchase-money security interest if:

(1) the debtor acquired its interest in the software in an integrated transaction in which it acquired an interest in the goods; and

(2) the debtor acquired its interest in the software for the principal purpose of using the software in the goods.

(d) Consignor's inventory purchase-money security interest. The security interest of a consignor in goods that are the subject of a consignment is a purchase-money security interest in inventory.

[Feb. 24, 2000]

(e) Application of payment in non-consumer-goods transaction. In a transaction other than a consumer-goods transaction, if the extent to which a security interest is a purchase-money security interest depends on the application of a payment to a particular obligation, the payment must be applied:

(1) in accordance with any reasonable method of application to which the parties agree;

(2) in the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or

(3) in the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

(A) to obligations that are not secured; and

(B) if more than one obligation is secured, to obligations secured by purchase-money security interests in the order in which those obligations were incurred.

(f) No loss of status of purchase-money security interest in non-consumer-goods transaction. In a transaction other than a consumer-goods transaction, a purchase-money security interest does not lose its status as such, even if:

(1) the purchase-money collateral also secures an obligation that is not a purchase-money obligation;

(2) collateral that is not purchase-money collateral also secures the purchase-money obligation; or

(3) the purchase-money obligation has been renewed, refinanced, consolidated, or restructured.

(g) Burden of proof in non-consumer-goods transaction. In a transaction other than a consumer-goods transaction, a secured party claiming a purchase-money security interest has the burden of establishing the extent to which the security interest is a purchase-money security interest.

(h) Non-consumer-goods transactions; no inference. The limitation of the rules in subsections (e), (f), and (g) to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper rules in consumer-goods transactions. The court may not infer from that limitation the nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.
Perfection of Security Interests in Multiple State Transactions.

~~(1) Documents, instruments, letters of credit, and ordinary goods.~~

~~(a) This subsection applies to documents, instruments, rights to proceeds of written letters of credit, and goods other than those covered by a certificate of title described in subsection (2), mobile goods described in subsection (3), and minerals described in subsection (5).~~

~~(b) Except as otherwise provided in this subsection, perfection and the effect of perfection or non-perfection of a security interest in collateral are governed by the law of the jurisdiction where the collateral is when the last event occurs on which is based the assertion that the security interest is perfected or unperfected.~~

~~(c) If the parties to a transaction creating a purchase money security interest in goods in one jurisdiction understand at the time that the security interest attaches that the goods will be kept in another jurisdiction, then the law of the other jurisdiction governs the perfection and the effect of perfection or non-perfection of the security interest from the time it attaches until 30 days after the debtor receives possession of~~

[Feb. 24, 2000]

~~the goods and thereafter if the goods are taken to the other jurisdiction before the end of the 30-day period.~~

~~(d) When collateral is brought into and kept in this State while subject to a security interest perfected under the law of the jurisdiction from which the collateral was removed, the security interest remains perfected, but if action is required by Part 3 of this Article to perfect the security interest,~~

~~(i) if the action is not taken before the expiration of the period of perfection in the other jurisdiction or the end of 4 months after the collateral is brought into this State, whichever period first expires, the security interest becomes unperfected at the end of that period and is thereafter deemed to have been unperfected as against a person who became a purchaser after removal;~~

~~(ii) if the action is taken before the expiration of the period specified in subparagraph (i), the security interest continues perfected thereafter;~~

~~(iii) for the purpose of priority over a buyer of~~

~~consumer goods (subsection (2) of Section 9-307), the period of the effectiveness of a filing in the jurisdiction from which the collateral is removed is governed by the rules with respect to perfection in subparagraphs (i) and (ii).~~

~~(2) Certificate of title.~~

~~(a) This subsection applies to goods covered by a certificate of title issued under a statute of this State or of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection.~~

~~(b) Except as otherwise provided in this subsection, perfection and the effect of perfection or non-perfection of the security interest are governed by the law (including the conflict of laws rules) of the jurisdiction issuing the certificate until 4 months after the goods are removed from that jurisdiction and thereafter until the goods are registered in another jurisdiction, but in any event not beyond surrender of the certificate. After the expiration of that period, the goods are not covered by the certificate of title within the meaning of this Section.~~

~~(c) Except with respect to the rights of a buyer described in the next paragraph, a security interest, perfected in another jurisdiction otherwise than by notation on a certificate of title, in goods brought into this State and thereafter covered by a certificate of title issued by this State is subject to the rules stated in paragraph (d) of subsection (1).~~

~~(d) If goods are brought into this State while a security interest therein is perfected in any manner under the law of the jurisdiction from which the goods are removed and a certificate of title is issued by this State and the certificate does not show that the goods are subject to the security interest or that they may be subject to security interests not shown on the certificate, the security interest is subordinate to the rights of a buyer of the goods to the extent that he gives value and receives delivery of the goods after issuance of the certificate and without knowledge of the security interest.~~

~~(3) Accounts, general intangibles and mobile goods.~~

~~(a) This subsection applies to accounts (other than an account described in subsection (5) on minerals) and general intangibles (other than uncertificated securities) and to goods which are mobile and which are of a type normally used in more than one jurisdiction, such as motor vehicles, trailers, rolling~~

[Feb. 24, 2000]

~~stock, airplanes, shipping containers, road building and construction machinery and commercial harvesting machinery and the like, if the goods are equipment or are inventory leased or held for lease by the debtor to others, and are not covered by a certificate of title described in subsection (2).~~

~~(b) The law (including the conflict of laws rules) of the jurisdiction in which the debtor is located governs the perfection and the effect of perfection or non-perfection of the security interest.~~

~~(c) If, however, the debtor is located in a jurisdiction which is not a part of the United States, and which does not provide for perfection of the security interest by filing or recording in that jurisdiction, the law of the jurisdiction in the United States in which the debtor has its major executive office in the United States governs the perfection and the effect of perfection or non-perfection of the security interest through filing. In the alternative, if the debtor is located in a jurisdiction which is not a part of the United States or Canada and the collateral is accounts or general intangibles for money due or to become due, the security interest may be perfected by notification to the account debtor. As used in this paragraph, "United States" includes its territories and possessions and the Commonwealth of Puerto Rico.~~

~~(d) A debtor shall be deemed located at his place of business if he has one, at his chief executive office if he has more than one place of business, otherwise at his residence. If, however, the debtor is a foreign air carrier under the Federal Aviation Act of 1958, as amended, it shall be deemed located at the designated office of the agent upon whom service of process may be made on behalf of the foreign air carrier.~~

~~(e) A security interest perfected under the law of the jurisdiction of the location of the debtor is perfected until the expiration of 4 months after a change of the debtor's location to another jurisdiction, or until perfection would have ceased by the law of the first jurisdiction, whichever period first expires. Unless perfected in the new jurisdiction before the end of that period, it becomes unperfected thereafter and is deemed to have been unperfected as against a person who became a purchaser after the change.~~

~~(4) Chattel paper. The rules stated for goods in subsection (1) apply to a possessory security interest in chattel paper. The rules stated for accounts in subsection (3) apply to a non-possessory security interest in chattel paper, but the security interest may not be perfected by notification to the account debtor.~~

~~(5) Minerals. Perfection and the effect of perfection or non-perfection of a security interest which is created by a debtor who has an interest in minerals or the like (including oil and gas) before extraction and which attaches thereto as extracted, or which attaches to an account resulting from the sale thereof at the wellhead or minehead are governed by the law (including the conflict of laws rules) of the jurisdiction wherein the wellhead or minehead is located.~~

~~(6) Investment property.~~

~~(a) This subsection applies to investment property.~~

~~(b) Except as otherwise provided in paragraph (f), during the time that a security certificate is located in a jurisdiction, perfection of a security interest, the effect of perfection or non-perfection, and the priority of a security interest in the certificated security represented thereby are governed by the local law of that jurisdiction.~~

[Feb. 24, 2000]

~~(c) Except as otherwise provided in paragraph (f), perfection of a security interest, the effect of perfection or non-perfection, and the priority of a security interest in an uncertificated security are governed by the local law of the issuer's jurisdiction as specified in Section 8-110(d).~~

~~(d) Except as otherwise provided in paragraph (f), perfection of a security interest, the effect of perfection or non-perfection, and the priority of a security interest in a security entitlement or securities account are governed by the local law of the securities intermediary's jurisdiction as specified in Section 8-110(e).~~

~~(e) Except as otherwise provided in paragraph (f), perfection of a security interest, the effect of perfection or non-perfection, and the priority of a security interest in a commodity contract or commodity account are governed by the local law of the commodity intermediary's jurisdiction. The following rules determine a "commodity intermediary's jurisdiction" for purposes of this paragraph:~~

~~(i) If an agreement between the commodity intermediary and commodity customer specifies that it is governed by the law of a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.~~

~~(ii) If an agreement between the commodity intermediary and commodity customer does not specify the governing law as provided in subparagraph (i), but expressly specifies that the commodity account is maintained at an office in a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.~~

~~(iii) If an agreement between the commodity intermediary and commodity customer does not specify a jurisdiction as provided in subparagraphs (i) or (ii), the commodity intermediary's jurisdiction is the jurisdiction in which is located the office identified in an account statement as the office serving the commodity customer's account.~~

~~(iv) If an agreement between the commodity intermediary and commodity customer does not specify a jurisdiction as provided in subparagraphs (i) or (ii) and an account statement does not identify an office serving the commodity customer's account as provided in subparagraph (iii), the commodity intermediary's jurisdiction is the jurisdiction in which is located the chief executive office of the commodity intermediary.~~

~~(f) Perfection of a security interest by filing, automatic perfection of a security interest in investment property granted by a broker or securities intermediary, and automatic perfection of a security interest in a commodity contract or commodity account granted by a commodity intermediary are governed by the local law of the jurisdiction in which the debtor is located.~~

(Source: P.A. 89-364, eff. 1-1-96; 89-534, eff. 1-1-97; 89-626, eff. 8-9-96.)

(810 ILCS 5/9-104) (from Ch. 26, par. 9-104)

Sec. 9-104. Control of deposit account.

(a) Requirements for control. A secured party has control of a deposit account if:

(1) the secured party is the bank with which the deposit account is maintained;

(2) the debtor, secured party, and bank have agreed in an authenticated record that the bank will comply with instructions originated by the secured party directing disposition of the

[Feb. 24, 2000]

68

funds in the deposit account without further consent by the debtor; or

(3) the secured party becomes the bank's customer with respect to the deposit account.

(b) Debtor's right to direct disposition. A secured party that has satisfied subsection (a) has control, even if the debtor retains the right to direct the disposition of funds from the deposit account. Transactions excluded from Article.

~~This Article does not apply~~

~~(a) to a security interest subject to any statute of the United States to the extent that such statute governs the rights of parties to and third parties affected by transactions in particular types of property; or~~

~~(b) to a landlord's lien; or~~

~~(c) to a lien given by statute or other rule of law for services or materials except as provided in Section 9-310 on priority of such liens; or~~

~~(d) to a transfer of a claim for wages, salary or other compensation of an employee; or~~

~~(e) to a transfer by a government or governmental subdivision or agency; or~~

~~(f) to a sale of accounts or chattel paper as part of a sale of the business out of which they arose, or an assignment of accounts or chattel paper which is for the purpose of collection only, or a transfer of a right to payment under a contract to an assignee who is also to do the performance under the contract or a transfer of a single account to an assignee in whole or partial satisfaction of a preexisting indebtedness; or~~

~~(g) to a transfer of an interest or claim in or under any policy of insurance, except as provided with respect to proceeds (Section 9-306) and priorities in proceeds (Section 9-312); or~~

~~(h) to a right represented by a judgment (other than a judgment taken on a right to payment which was collateral); or~~

~~(i) to any right of set-off; or~~

~~(j) except to the extent that provision is made for fixtures in Section 9-313, to the creation or transfer of an interest in or lien on real estate, including a lease or rents thereunder; or~~

~~(k) to a transfer in whole or in part of any claim arising out of tort; or~~

~~(l) to a transfer of an interest in a letter of credit other than the rights to proceeds of a written letter of credit.~~

(Source: P.A. 89-534, eff. 1-1-97.)

(810 ILCS 5/9-105) (from Ch. 26, par. 9-105)

Sec. 9-105. Control of electronic chattel paper. A secured party has control of electronic chattel paper if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

(1) a single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs (4), (5), and (6), unalterable;

(2) the authoritative copy identifies the secured party as the assignee of the record or records;

(3) the authoritative copy is communicated to and maintained by the secured party or its designated custodian;

(4) copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the secured party;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the

[Feb. 24, 2000]

authoritative copy; and

(6) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.
Definitions and index of definitions.

~~(1) In this Article unless the context otherwise requires:~~

~~(a) "Account debtor" means the person who is obligated on an account, chattel paper or general intangible;~~

~~(b) "Chattel paper" means a writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods, but a charter or other contract involving the use or hire of a vessel is not chattel paper. When a transaction is evidenced both by such a security agreement or a lease and by an instrument or a series of instruments, the group of writings taken together constitutes chattel paper;~~

~~(c) "Collateral" means the property subject to a security interest, and includes accounts and chattel paper which have been sold;~~

~~(d) "Debtor" means the person who owes payment or other performance of the obligation secured, whether or not he owns or has rights in the collateral, and includes the seller of accounts or chattel paper. Where the debtor and the owner of the collateral are not the same person, the term "debtor" means the owner of the collateral in any provision of the Article dealing with the collateral, the obligor in any provision dealing with the obligation, and may include both where the context so requires;~~

~~(e) "Deposit account" means a demand, time, savings, passbook or like account maintained with a bank, as defined in subsection (1) of Section 4-105, other than an account evidenced by a certificate of deposit;~~

~~(f) "Document" means document of title as defined in the general definitions of Article 1 (Section 1-201), and a receipt of the kind described in subsection (2) of Section 7-201;~~

~~(g) "Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests;~~

~~(h) "Goods" includes all things which are movable at the time the security interest attaches or which are fixtures (Section 9-313), but does not include money, documents,~~

~~instruments, investment property, commodity contracts, accounts, chattel paper, general intangibles, or minerals or the like (including oil and gas) before extraction. "Goods" also includes standing timber which is to be cut and removed under a conveyance or contract for sale, the unborn young of animals, and growing crops;~~

~~(i) "Instrument" means a negotiable instrument (defined in Section 3-104), a non-transferable certificate of deposit, a non-negotiable certificate of deposit, or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is in ordinary course of business transferred by delivery with any necessary indorsement or assignment. The term does not include investment property;~~

~~(j) "Mortgage" means a consensual interest created by a real estate mortgage, a trust deed on real estate, or the like;~~

~~(j-5) "Non-negotiable certificate of deposit" means a written document issued by a bank, as defined in subsection (1) of Section 4-105, that contains an acknowledgement that a sum of money has been received by the issuer and a promise by the issuer to repay the sum of money, and is not a negotiable instrument as~~

[Feb. 24, 2000]

~~defined in Section 3-104;~~

~~(j-7) "Non-transferable certificate of deposit" means a non-negotiable certificate of deposit which may not be transferred except on the books of the issuer, with the consent of the issuer, or is subject to other restrictions or conditions of the issuer on transfer;~~

~~(k) An advance is made "pursuant to commitment" if the secured party has bound himself to make it, whether or not a subsequent event of default or other event not within his control has relieved or may relieve him from his obligation;~~

~~(l) "Security agreement" means an agreement which creates or provides for a security interest;~~

~~(m) "Secured party" means a lender, seller or other person in whose favor there is a security interest, including a person to whom accounts or chattel paper have been sold. When the holders of obligations issued under an indenture of trust, equipment trust agreement or the like are represented by a trustee or other person, the representative is the secured party;~~

~~-10t(n) "Transmitting utility" means any person primarily engaged in the railroad, street railway or trolley bus business, the electric or electronics communications transmission business, the transmission of goods by pipeline, or the distribution, transmission, or the production and transmission of electricity, steam, gas or water, or the provision of sewer service.~~

~~(o) "Uncertificated certificate of deposit" means an obligation of a bank, as defined in subsection (1) of Section 4-105, to repay a sum of money it has received, that is not a deposit account and is not represented by a writing, but only by an entry on the books of the bank and any documentation given to the customer by the bank.~~

~~(2) Other definitions applying to this Article and the Sections~~

~~in which they appear are:~~

~~"Account". Section 9-106.
"Attach". Section 9-203.
"Commodity contract". Section 9-115.
"Commodity customer". Section 9-115.
"Commodity intermediary". Section 9-115.
"Construction mortgage". Section 9-313 (1).
"Consumer goods". Section 9-109 (1).
"Control". Section 9-115.
"Equipment". Section 9-109 (2).
"Farm products". Section 9-109 (3).
"Fixture". Section 9-313 (1).
"Fixture filing". Section 9-313 (1).
"General intangibles". Section 9-106.
"Inventory". Section 9-109 (4).
"Investment property". Section 9-115.
"Lien creditor". Section 9-301 (3).
"Proceeds". Section 9-306 (1).
"Purchase money security interest". Section 9-107.
"United States". Section 9-103.~~

~~(3) The following definitions in other Articles apply to this Article:~~

~~"Bank". Section 4-105.
"Broker". Section 8-102.
"Certificated security". Section 8-102.
"Check". Section 3-104.
"Clearing corporation". Section 8-102.
"Contract for sale". Section 2-106.
"Control". Section 8-106.
"Delivery". Section 8-301.~~

[Feb. 24, 2000]

71

~~"Entitlement holder". Section 8-102.
"Financial asset". Section 8-102.
"Holder in due course". Section 3-302.
"Letter of credit". Section 5-102.
"Note". Section 3-104.
"Proceeds of a letter of credit". Section 5-114(a).
"Sale". Section 2-106.
"Securities intermediary". Section 8-102.
"Security". Section 8-102.
"Security certificate". Section 8-102.
"Security entitlement". Section 8-102.
"Uncertificated security". Section 8-102.~~

~~(4) In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.~~

~~(Source: P.A. 89-364, eff. 1-1-96; 89-534, eff. 1-1-97; 90-665, eff. 7-30-98.)~~

~~(810 ILCS 5/9-106) (from Ch. 26, par. 9-106)~~

~~Sec. 9-106. Control of investment property.~~

~~(a) Control under Section 8-106. A person has control of a certificated security, uncertificated security, or security~~

entitlement as provided in Section 8-106.

(b) Control of commodity contract. A secured party has control of a commodity contract if:

(1) the secured party is the commodity intermediary with which the commodity contract is carried; or

(2) the commodity customer, secured party, and commodity intermediary have agreed that the commodity intermediary will apply any value distributed on account of the commodity contract as directed by the secured party without further consent by the commodity customer.

(c) Effect of control of securities account or commodity account. A secured party having control of all security entitlements or commodity contracts carried in a securities account or commodity account has control over the securities account or commodity account. Definitions: "account"; "general intangibles". "Account" means any right to payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance. "General intangibles" means any personal property (including things in action) other than goods, accounts, chattel paper, documents, instruments, investment property, rights to proceeds of written letters of credit, deposit accounts, uncertificated certificates of deposit, and money. All rights to payment earned or unearned under a charter or other contract involving the use or hire of a vessel and all rights incident to the charter or contract are accounts.

(Source: P.A. 89-364, eff. 1-1-96; 89-534, eff. 1-1-97; 90-665, eff. 7-30-98.)

(810 ILCS 5/9-107) (from Ch. 26, par. 9-107)

Sec. 9-107. Control of letter-of-credit right. A secured party has control of a letter-of-credit right to the extent of any right to payment or performance by the issuer or any nominated person if the issuer or nominated person has consented to an assignment of proceeds of the letter of credit under Section 5-114(c) or otherwise applicable law or practice. Definitions: "purchase money security interest".

A security interest is a "purchase money security interest" to the extent that it is

(a) taken or retained by the seller of the collateral to secure all or part of its price; or

[Feb. 24, 2000]

(b) taken by a person who by making advances or incurring an obligation gives value to enable the debtor to acquire rights in or the use of collateral if such value is in fact so used.

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-108) (from Ch. 26, par. 9-108)

Sec. 9-108. Sufficiency of description.

(a) Sufficiency of description. Except as otherwise provided in subsections (c), (d), and (e), a description of personal or real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.

(b) Examples of reasonable identification. Except as otherwise provided in subsection (d), a description of collateral reasonably

identifies the collateral if it identifies the collateral by:

- (1) specific listing;
- (2) category;
- (3) except as otherwise provided in subsection (e), a type of collateral defined in the Uniform Commercial Code;
- (4) quantity;
- (5) computational or allocational formula or procedure; or
- (6) except as otherwise provided in subsection (c), any other method, if the identity of the collateral is objectively determinable.

(c) Supergeneric description not sufficient. A description of collateral as "all the debtor's assets" or "all the debtor's personal property" or using words of similar import does not reasonably identify the collateral.

(d) Investment property. Except as otherwise provided in subsection (e), a description of a security entitlement, securities account, or commodity account is sufficient if it describes:

- (1) the collateral by those terms or as investment property; or
- (2) the underlying financial asset or commodity contract.

(e) When description by type insufficient. A description only by type of collateral defined in the Uniform Commercial Code is an insufficient description of:

- (1) a commercial tort claim; or
- (2) in a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account. ~~When after-acquired collateral not security for antecedent debt.~~

~~Where a secured party makes an advance, incurs an obligation, releases a perfected security interest, or otherwise gives new value which is to be secured in whole or in part by after-acquired property his security interest in the after-acquired collateral shall be deemed to be taken for new value and not as security for an antecedent debt if the debtor acquires his rights in such collateral either in the ordinary course of his business or under a contract of purchase made pursuant to the security agreement within a reasonable time after new value is given.~~

~~(Source: Laws 1961, p. 2101.)~~

~~(810 ILCS 5/Art. 9, Part 1, Subpart 2 heading new)~~

SUBPART 2. APPLICABILITY OF ARTICLE

~~(810 ILCS 5/9-109) (from Ch. 26, par. 9-109)~~

Sec. 9-109. Scope.

(a) General scope of Article. Except as otherwise provided in subsections (c) and (d), this Article applies to:

- (1) a transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract;
- (2) an agricultural lien;
- (3) a sale of accounts, chattel paper, payment intangibles, or promissory notes;

[Feb. 24, 2000]

- (4) a consignment;
- (5) a security interest arising under Section 2-401, 2-505, 2-711(3), or 2A-508(5), as provided in Section 9-110; and

(6) a security interest arising under Section 4-210 or 5-118.

(b) Security interest in secured obligation. The application of this Article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this Article does not apply.

(c) Extent to which Article does not apply. This Article does not apply to the extent that:

(1) a statute, regulation, or treaty of the United States preempts this Article;

(2) another statute of this State expressly governs the creation, perfection, priority, or enforcement of a security interest created by this State or a governmental unit of this State;

(3) a statute of another State, a foreign country, or a governmental unit of another State or a foreign country, other than a statute generally applicable to security interests, expressly governs creation, perfection, priority, or enforcement of a security interest created by the State, country, or governmental unit;

(4) the rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under Section 5-114;

(5) this Article is in conflict with Section 205-410 of the Department of Agriculture Law of the Civil Administrative Code of Illinois or the Grain Code; or

(6) this Article is in conflict with Section 18-107 of the Public Utilities Act.

(d) Inapplicability of Article. This Article does not apply to:

(1) a landlord's lien, other than an agricultural lien;

(2) a lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but Section 9-333 applies with respect to priority of the lien;

(3) an assignment of a claim for wages, salary, or other compensation of an employee;

(4) a sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;

(5) an assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;

(6) an assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;

(7) an assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;

(8) a transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but Sections 9-315 and 9-322 apply with respect to proceeds and priorities in proceeds;

(9) an assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;

(10) a right of recoupment or set-off, but:

(A) Section 9-340 applies with respect to the

effectiveness of rights of recoupment or set-off against deposit accounts; and

(B) Section 9-404 applies with respect to defenses or claims of an account debtor;

(11) the creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:

(A) liens on real property in Sections 9-203 and 9-308;

(B) fixtures in Section 9-334;

(C) fixture filings in Sections 9-501, 9-502, 9-512, 9-516, and 9-519; and

(D) security agreements covering personal and real property in Section 9-604; or

(12) an assignment of a claim arising in tort, other than a commercial tort claim, but Sections 9-315 and 9-322 apply with respect to proceeds and priorities in proceeds. ~~Classification of goods; "consumer goods"; "equipment"; "farm products"; "inventory".~~ Goods are

(1) "consumer goods" if they are used or bought for use primarily for personal, family or household purposes;

(2) "equipment" if they are used or bought for use primarily in business (including farming or a profession) or by a debtor who is a non-profit organization or a governmental subdivision or agency or if the goods are not included in the definitions of inventory, farm products or consumer goods;

(3) "farm products" if they are crops or livestock or supplies used or produced in farming operations or if they are products of crops or livestock in their unmanufactured states (such as ginned cotton, wool-clip, maple syrup, milk and eggs) or if they are aquatic products as defined in the Aquaculture Development Act, and if they are in the possession of a debtor engaged in raising, fattening, grazing or other farming or aquacultural operations. If goods are farm products they are neither equipment nor inventory;

(4) "inventory" if they are held by a person who holds them for sale or lease or to be furnished under contracts of service or if he has so furnished them, or if they are raw materials, work in process or materials used or consumed in a business. Inventory of a person is not to be classified as his equipment.

(Source: P.A. 85-856.)

(810 ILCS 5/9-110) (from Ch. 26, par. 9-110)

Sec. 9-110. Security interests arising under Article 2 or 2A. A security interest arising under Section 2-401, 2-505, 2-711(3), or 2A-508(5) is subject to this Article. However, until the debtor obtains possession of the goods:

(1) the security interest is enforceable, even if Section 9-203(b)(3) has not been satisfied;

(2) filing is not required to perfect the security interest;

(3) the rights of the secured party after default by the debtor are governed by Article 2 or 2A; and

(4) the security interest has priority over a conflicting security interest created by the debtor. Sufficiency of description.

~~For the purposes of this Article any description of personal property or real estate is sufficient whether or not it is specific if it reasonably identifies what is described.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-112) (from Ch. 26, par. 9-112)

~~Sec. 9-112. (Blank). Where collateral is not owned by debtor.~~

[Feb. 24, 2000]

75

~~Unless otherwise agreed, when a secured party knows that collateral is owned by a person who is not the debtor, the owner of the collateral is entitled to receive from the secured party any surplus under Section 9-502(2) or under Section 9-504(1), and is not liable for the debt or for any deficiency after resale, and he has the same right as the debtor~~

~~(a) to receive statements under Section 9-208;~~

~~(b) to receive notice of and to object to a secured party's proposal to retain the collateral in satisfaction of the indebtedness under Section 9-505;~~

~~(c) to redeem the collateral under Section 9-506;~~

~~(d) to obtain injunctive or other relief under Section 9-507(1); and~~

~~(e) to recover losses caused to him under Section 9-208(2).~~

(Source: Laws 1961, 1st S.S., p. 7.)

(810 ILCS 5/9-113) (from Ch. 26, par. 9-113)

~~Sec. 9-113. (Blank). Security interests arising under Article on Sales or under Article on Leases.~~

~~A security interest arising solely under the Article on Sales (Article 2) or the Article on Leases (Article 2A) is subject to the provisions of this Article except that to the extent that and so long as the debtor does not have or does not lawfully obtain possession of the goods~~

~~(a) no security agreement is necessary to make the security interest enforceable; and~~

~~(b) no filing is required to perfect the security interest; and~~

~~(c) the rights of the secured party on default by the debtor are governed (i) by the Article on Sales (Article 2) in the case of a security interest arising solely under such Article or (ii) by the Article on Leases (Article 2A) in the case of a security interest arising solely under such Article.~~

(Source: P.A. 87-493.)

(810 ILCS 5/9-114) (from Ch. 26, par. 9-114)

~~Sec. 9-114. (Blank). Consignment.~~

~~(1) A person who delivers goods under a consignment which is not a security interest and who would be required to file under this Article by paragraph (3) (c) of Section 2-326 has priority over a secured party who is or becomes a creditor of the consignee and who would have a perfected security interest in the goods if they were the property of the consignee, and also has priority with respect to~~

~~identifiable cash proceeds received on or before delivery of the goods to a buyer, if~~

~~(a) the consignor complies with the filing provision of the Article on Sales with respect to consignments (paragraph (3) (c) of Section 2-326 before the consignee receives possession of the goods; and~~

~~(b) the consignor gives notification in writing to the holder of the security interest if the holder has filed a financing statement covering the same types of goods before the date of the filing made by the consignor; and~~

~~(c) the holder of the security interest receives the notification within 5 years before the consignee receives possession of the goods; and~~

~~(d) the notification states that the consignor expects to deliver goods on consignment to the consignee, describing the goods by item or type.~~

~~(2) In the case of a consignment which is not a security interest and in which the requirements of the preceding subsection~~

[Feb. 24, 2000]

76

~~have not been met, a person who delivers goods to another is subordinate to a person who would have a perfected security interest in the goods if they were the property of the debtor.~~

~~(Source: P. A. 78-238.)~~

~~(810 ILCS 5/9-115) (from Ch. 26, par. 9-115)~~

~~Sec. 9-115. (Blank). Investment property.~~

~~(1) In this Article:~~

~~(a) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.~~

~~(b) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or other contract that, in each case, is:~~

~~(i) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws; or~~

~~(ii) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.~~

~~(c) "Commodity customer" means a person for whom a commodity intermediary carries a commodity contract on its books.~~

~~(d) "Commodity intermediary" means:~~

~~(i) a person who is registered as a futures commission merchant under the federal commodities laws; or~~

~~(ii) a person who in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to the federal commodities laws.~~

~~(e) "Control" with respect to a certificated security, uncertificated security, or security entitlement has the meaning specified in Section 8-106. A secured party has control over a commodity contract if by agreement among the commodity customer, the commodity intermediary, and the secured party, the commodity~~

~~intermediary has agreed that it will apply any value distributed on account of the commodity contract as directed by the secured party without further consent by the commodity customer. If a commodity customer grants a security interest in a commodity contract to its own commodity intermediary, the commodity intermediary as secured party has control. A secured party has control over a securities account or commodity account if the secured party has control over all security entitlements or commodity contracts carried in the securities account or commodity account.~~

~~(f) "Investment property" means:~~

~~(i) a security, whether certificated or uncertificated;~~

~~(ii) a security entitlement;~~

~~(iii) a securities account;~~

~~(iv) a commodity contract; or~~

~~(v) a commodity account.~~

~~(2) Attachment or perfection of a security interest in a securities account is also attachment or perfection of a security interest in all security entitlements carried in the securities account. Attachment or perfection of a security interest in a commodity account is also attachment or perfection of a security interest in all commodity contracts carried in the commodity account.~~

~~(3) A description of collateral in a security agreement or financing statement is sufficient to create or perfect a security interest in a certificated security, uncertificated security, security entitlement, securities account, commodity contract, or~~

[Feb. 24, 2000]

~~commodity account whether it describes the collateral by those terms, or as investment property, or by description of the underlying security, financial asset, or commodity contract. A description of investment property collateral in a security agreement or financing statement is sufficient if it identifies the collateral by specific listing, by category, by quantity, by a computational or allocational formula or procedure, or by any other method, if the identity of the collateral is objectively determinable.~~

~~(4) Perfection of a security interest in investment property is governed by the following rules:~~

~~(a) A security interest in investment property may be perfected by control.~~

~~(b) Except as otherwise provided in paragraphs (c) and (d), a security interest in investment property may be perfected by filing.~~

~~(c) If the debtor is a broker or securities intermediary a security interest in investment property is perfected when it attaches. The filing of a financing statement with respect to a security interest in investment property granted by a broker or securities intermediary has no effect for purposes of perfection or priority with respect to that security interest.~~

~~(d) If a debtor is a commodity intermediary, a security interest in a commodity contract or a commodity account is perfected when it attaches. The filing of a financing statement~~

~~with respect to a security interest in a commodity contract or a commodity account granted by a commodity intermediary has no effect for purposes of perfection or priority with respect to that security interest.~~

~~(5) Priority between conflicting security interests in the same investment property is governed by the following rules:~~

~~(a) A security interest of a secured party who has control over investment property has priority over a security interest of a secured party who does not have control over the investment property.~~

~~(b) Except as otherwise provided in paragraphs (c) and (d), conflicting security interests of secured parties each of whom has control rank equally.~~

~~(c) Except as otherwise agreed by the securities intermediary, a security interest in a security entitlement or a securities account granted to the debtor's own securities intermediary has priority over any security interest granted by the debtor to another secured party.~~

~~(d) Except as otherwise agreed by the commodity intermediary, a security interest in a commodity contract or a commodity account granted to the debtor's own commodity intermediary has priority over any security interest granted by the debtor to another secured party.~~

~~(e) Conflicting security interests granted by a broker, a securities intermediary, or a commodity intermediary which are perfected without control rank equally.~~

~~(f) In all other cases, priority between conflicting security interests in investment property is governed by Section 9-312(5), (6), and (7). Section 9-312(4) does not apply to investment property.~~

~~(6) If a security certificate in registered form is delivered to a secured party pursuant to agreement, a written security agreement is not required for attachment or enforceability of the security interest, delivery suffices for perfection of the security interest, and the security interest has priority over a conflicting security interest perfected by means other than control, even if a necessary~~

[Feb. 24, 2000]

~~indorsement is lacking.~~

~~(Source: P.A. 89-364, eff. 1-1-96.)~~

~~(810 ILCS 5/9-116)~~

~~Sec. 9-116. (Blank). Security interest arising in purchase or delivery of financial asset.~~

~~(1) If a person buys a financial asset through a securities intermediary in a transaction in which the buyer is obligated to pay the purchase price to the securities intermediary at the time of the purchase, and the securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary, the securities intermediary has a security interest in the buyer's security entitlement securing the buyer's obligation to pay. A security agreement is not required for attachment or enforceability of the security interest, and the security interest is automatically perfected.~~

~~(2) If a certificated security, or other financial asset represented by a writing which in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment is delivered pursuant to an agreement between persons in the business of dealing with such securities or financial assets and the agreement calls for delivery versus payment, the person delivering the certificate or other financial asset has a security interest in the certificated security or other financial asset securing the seller's right to receive payment. A security agreement is not required for attachment or enforceability of the security interest, and the security interest is automatically perfected.~~

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/9-150)

~~Sec. 9-150. (Blank). Secretary of State; rules. The Secretary of State, under the Illinois Administrative Procedure Act, may adopt rules necessary to administer the Secretary of State's responsibilities under this Article.~~

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/Art. 9, Part 2 heading)

~~PART 2. EFFECTIVENESS OF SECURITY AGREEMENT;~~

~~ATTACHMENT OF SECURITY INTEREST;~~

~~RIGHTS OF PARTIES TO SECURITY AGREEMENT~~

~~VALIDITY OF SECURITY AGREEMENT~~

~~AND RIGHTS OF PARTIES THERETO~~

(810 ILCS 5/Art. 9, Part 2, Subpart 1 heading new)

~~SUBPART 1. EFFECTIVENESS AND ATTACHMENT~~

(810 ILCS 5/9-201) (from Ch. 26, par. 9-201)

~~Sec. 9-201. General effectiveness of security agreement.~~

~~(a) General effectiveness. Except as otherwise provided in the Uniform Commercial Code, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.~~

~~(b) Applicable consumer laws and other law. A transaction subject to this Article is subject to any applicable rule of law, statute, or regulation which establishes a different rule for consumers, including:~~

~~(1) the Retail Installment Sales Act;~~

~~(2) the Motor Vehicle Retail Installment Sales Act;~~

~~(3) Article II of Chapter 3 of the Illinois Vehicle Code;~~

~~(4) Article IIIB of the Boat Registration and Safety Act;~~

~~(5) the Pawnbroker Regulation Act;~~

~~(6) the Motor Vehicle Leasing Act;~~

~~(7) the Consumer Installment Loan Act; and~~

~~(8) the Consumer Deposit Security Act of 1987.~~

~~(c) Other applicable law controls. In case of conflict between~~

[Feb. 24, 2000]

this Article and a rule of law, statute, or regulation described in subsection (b), the rule of law, statute, or regulation controls. Failure to comply with a rule of law, statute, or regulation described in subsection (b) has only the effect such rule of law, statute, or regulation specifies.

(d) Further deference to other applicable law. This Article

does not:

(1) validate any rate, charge, agreement, or practice that violates a rule of law, statute, or regulation described in subsection (b); or

(2) extend the application of the rule of law, statute, or regulation to a transaction not otherwise subject to it. General validity of security agreement.

~~Except as otherwise provided by this Act a security agreement is effective according to its terms between the parties, against purchasers of the collateral and against creditors. Nothing in this Article validates any charge or practice illegal under any statute or regulation thereunder governing usury, small loans, retail installment sales, or the like, or extends the application of any such statute or regulation to any transaction not otherwise subject thereto.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-202) (from Ch. 26, par. 9-202)

Sec. 9-202. Title to collateral immaterial. Except as otherwise provided with respect to consignments or sales of accounts, chattel paper, payment intangibles, or promissory notes, the provisions of this Article with regard to rights and obligations apply whether title to collateral is in the secured party or the debtor.

~~Each provision of this Article with regard to rights, obligations and remedies applies whether title to collateral is in the secured party or in the debtor.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-203) (from Ch. 26, par. 9-203)

Sec. 9-203. Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites.

(a) Attachment. A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(b) Enforceability. Except as otherwise provided in subsections (c) through (i), a security interest is enforceable against the debtor and third parties with respect to the collateral only if :

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(B) the collateral is not a certificated security and is in the possession of the secured party under Section 9-313 pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under Section 8-301 pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights, and the secured party has control under Section

[Feb. 24, 2000]

9-104, 9-105, 9-106, or 9-107 pursuant to the debtor's security agreement.

(c) Other UCC provisions. Subsection (b) is subject to Section 4-210 on the security interest of a collecting bank, Section 5-118 on the security interest of a letter-of-credit issuer or nominated person, Section 9-110 on a security interest arising under Article 2 or 2A, and Section 9-206 on security interests in investment property.

(d) When person becomes bound by another person's security agreement. A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this Article or by contract:

(1) the security agreement becomes effective to create a security interest in the person's property; or

(2) the person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

(e) Effect of new debtor becoming bound. If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) the agreement satisfies subsection (b)(3) with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) another agreement is not necessary to make a security interest in the property enforceable.

(f) Proceeds and supporting obligations. The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by Section 9-315 and is also attachment of a security interest in a supporting obligation for the collateral.

(g) Lien securing right to payment. The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien.

(h) Security entitlement carried in securities account. The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

(i) Commodity contracts carried in commodity account. The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account. Attachment and Enforceability of Security Interest; Proceeds; Requisites.

~~(1) Subject to the provisions of Section 4-208 on the security interest of a collecting bank, Sections 9-115 and 9-116 on security interests in investment property, and Section 9-113 on a security interest arising under the Article on Sales, a security interest is not enforceable against the debtor or third parties with respect to the collateral and does not attach unless:~~

~~(a) the collateral is in the possession of the secured party pursuant to agreement, the collateral is investment property and the secured party has control pursuant to agreement, or the debtor has signed a security agreement which contains a~~

~~description of the collateral and, in addition, a description of the land when the security agreement covers (i) crops growing or to be grown and is signed by the debtor prior to January 1, 1996, or (ii) timber to be cut;~~

~~(b) value has been given; and~~

~~(c) the debtor has rights in the collateral.~~

[Feb. 24, 2000]

81

~~(2) A security interest attaches when it becomes enforceable against the debtor with respect to the collateral. Attachment occurs as soon as all of the events specified in subsection (1) have taken place unless explicit agreement postpones the time of attaching.~~

~~(3) Unless otherwise agreed a security agreement gives the secured party the rights to proceeds provided by Section 9-306.~~

~~(4) A transaction, although subject to this Article, is also subject to the "Consumer Finance Act", approved July 10, 1935, as now or hereafter amended; the "Retail Installment Sales Act", approved July 28, 1967, as now or hereafter amended; the "Motor Vehicle Retail Installment Sales Act", approved July 28, 1967, as now or hereafter amended; Article II of Chapter 3 of The Illinois Vehicle Code; Article IIIB of the "Boat Registration and Safety Act", as now or hereafter amended; and "An Act for the regulation of pawnbrokers, and repealing a certain act therein named", approved June 9, 1909, as now or hereafter amended; and in the case of conflict between the provisions of this Article and any such statute, the provisions of such statute control. Failure to comply with any applicable statute has only the effect which is specified therein.~~

~~(Source: P.A. 89-228, eff. 1-1-96; 89-364, eff. 1-1-96; 89-626, eff. 8-9-96.)~~

~~(810 ILCS 5/9-204) (from Ch. 26, par. 9-204)~~

~~Sec. 9-204. After-acquired property; future advances.~~

~~(a) After-acquired collateral. Except as otherwise provided in subsection (b), a security agreement may create or provide for a security interest in after-acquired collateral.~~

~~(b) When after-acquired property clause not effective. A security interest does not attach under a term constituting an after-acquired property clause to:~~

~~(1) consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within 10 days after the secured party gives value; or~~

~~(2) a commercial tort claim.~~

~~(c) Future advances and other value. A security agreement may provide that collateral secures, or that accounts, chattel paper, payment intangibles, or promissory notes are sold in connection with, future advances or other value, whether or not the advances or value are given pursuant to commitment. After-acquired property; future advances.~~

~~(1) Except as provided in Subsection (2), a security agreement may provide that any obligations covered by the security agreement are to be secured by after-acquired collateral.~~

~~(2) No security interest attaches under an after-acquired property clause to consumer goods other than accessions (Section 9-314) when given as additional security unless the debtor acquires~~

~~rights in them within 10 days after the secured party gives value.~~

~~(3) Obligations covered by a security agreement may include future advances or other value whether or not the advances or value are given pursuant to commitment (subsection (1) of Section 9-105).~~

~~(Source: P. A. 77-2810.)~~

~~(810 ILCS 5/9-205) (from Ch. 26, par. 9-205)~~

~~Sec. 9-205. Use or disposition of collateral permissible.~~

~~(a) When security interest not invalid or fraudulent. A security interest is not invalid or fraudulent against creditors solely because:~~

~~(1) the debtor has the right or ability to:~~

~~(A) use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods;~~

~~(B) collect, compromise, enforce, or otherwise deal with collateral;~~

[Feb. 24, 2000]

82

~~(C) accept the return of collateral or make repossessions; or~~

~~(D) use, commingle, or dispose of proceeds; or~~

~~(2) the secured party fails to require the debtor to account for proceeds or replace collateral.~~

~~(b) Requirements of possession not relaxed. This Section does not relax the requirements of possession if attachment, perfection, or enforcement of a security interest depends upon possession of the collateral by the secured party. Use or Disposition of Collateral Without Accounting Permissible.~~

~~A security interest is not invalid or fraudulent against creditors by reason of liberty in the debtor to use, commingle or dispose of all or part of the collateral (including returned or repossessed goods) or to collect or compromise accounts or chattel paper, or to accept the return of goods or make repossessions, or to use, commingle or dispose of proceeds, or by reason of the failure of the secured party to require the debtor to account for proceeds or replace collateral. This Section does not relax the requirements of possession where perfection of a security interest depends upon possession of the collateral by the secured party or by a bailee.~~

~~(Source: P.A. 77-2810.)~~

~~(810 ILCS 5/9-205.1) (from Ch. 26, par. 9-205.1)~~

~~Sec. 9-205.1. Listing by debtor of purchasers or receivers of collateral. A secured party may require that the debtor include as part of the security agreement a list of persons to whom the debtor desires to sell or otherwise dispose of the collateral. The debtor shall not sell or otherwise dispose of the collateral to a person not included in that list unless the debtor has notified the secured party of his desire to sell or otherwise dispose of the collateral to such person at least 7 days prior to the sale or other disposition.~~

~~(Source: P.A. 83-69.)~~

~~(810 ILCS 5/9-206) (from Ch. 26, par. 9-206)~~

~~Sec. 9-206. Security interest arising in purchase or delivery of financial asset.~~

~~(a) Security interest when person buys through securities intermediary. A security interest in favor of a securities~~

intermediary attaches to a person's security entitlement if:

(1) the person buys a financial asset through the securities intermediary in a transaction in which the person is obligated to pay the purchase price to the securities intermediary at the time of the purchase; and

(2) the securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary.

(b) Security interest secures obligation to pay for financial asset. The security interest described in subsection (a) secures the person's obligation to pay for the financial asset.

(c) Security interest in payment against delivery transaction. A security interest in favor of a person that delivers a certificated security or other financial asset represented by a writing attaches to the security or other financial asset if:

(1) the security or other financial asset:

(A) in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment; and

(B) is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and

(2) the agreement calls for delivery against payment.

(d) Security interest secures obligation to pay for delivery.

[Feb. 24, 2000]

~~The security interest described in subsection (c) secures the obligation to make payment for the delivery. Agreement not to assert defenses against assignee; modification of sales warranties where security agreement exists.~~

~~(1) Subject to any statute or decision which establishes a different rule for buyers or lessees of consumer goods, an agreement by a buyer or lessee that he will not assert against an assignee any claim or defense which he may have against the seller or lessor is enforceable by an assignee who takes his assignment for value, in good faith and without notice of a claim or defense, except as to defenses of a type which may be asserted against a holder in due course of a negotiable instrument under the Article on Commercial Paper (Article 3). A buyer who as part of one transaction signs both a negotiable instrument and a security agreement makes such an agreement.~~

~~(2) When a seller retains a purchase money security interest in goods the Article on Sales (Article 2) governs the sale and any disclaimer, limitation or modification of the seller's warranties.~~

~~(Source: Laws 1965, p. 803.)~~

~~(810 ILCS 5/Art. 9, Part 2, Subpart 2 heading new)~~

~~SUBPART 2. RIGHTS AND DUTIES~~

~~(810 ILCS 5/9-207) (from Ch. 26, par. 9-207)~~

~~Sec. 9-207. Rights and duties of secured party having possession or control of collateral.~~

~~(a) Duty of care when secured party in possession. Except as otherwise provided in subsection (d), a secured party shall use reasonable care in the custody and preservation of collateral in the~~

secured party's possession. In the case of chattel paper or an instrument, reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.

(b) Expenses, risks, duties, and rights when secured party in possession. Except as otherwise provided in subsection (d), if a secured party has possession of collateral:

(1) reasonable expenses, including the cost of insurance and payment of taxes or other charges, incurred in the custody, preservation, use, or operation of the collateral are chargeable to the debtor and are secured by the collateral;

(2) the risk of accidental loss or damage is on the debtor to the extent of a deficiency in any effective insurance coverage;

(3) the secured party shall keep the collateral identifiable, but fungible collateral may be commingled; and

(4) the secured party may use or operate the collateral:

(A) for the purpose of preserving the collateral or its value;

(B) as permitted by an order of a court having competent jurisdiction; or

(C) except in the case of consumer goods, in the manner and to the extent agreed by the debtor.

(c) Duties and rights when secured party in possession or control. Except as otherwise provided in subsection (d), a secured party having possession of collateral or control of collateral under Section 9-104, 9-105, 9-106, or 9-107:

(1) may hold as additional security any proceeds, except money or funds, received from the collateral;

(2) shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) may create a security interest in the collateral.

(d) Buyer of certain rights to payment. If the secured party is

[Feb. 24, 2000]

a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:

(1) subsection (a) does not apply unless the secured party is entitled under an agreement:

(A) to charge back uncollected collateral; or

(B) otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and

(2) subsections (b) and (c) do not apply. Rights and duties when collateral is in secured party's possession.

~~(1) A secured party must use reasonable care in the custody and preservation of collateral in his possession. In the case of an instrument or chattel paper reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.~~

~~(2) Unless otherwise agreed, when collateral is in the secured party's possession~~

~~(a) reasonable expenses (including the cost of any insurance and payment of taxes or other charges) incurred in the custody, preservation, use or operation of the collateral are chargeable to the debtor and are secured by the collateral;~~

~~(b) the risk of accidental loss or damage is on the debtor to the extent of any deficiency in any effective insurance coverage;~~

~~(c) the secured party may hold as additional security any increase or profits (except money) received from the collateral, but money so received, unless remitted to the debtor, shall be applied in reduction of the secured obligation;~~

~~(d) the secured party must keep the collateral identifiable but fungible collateral may be commingled;~~

~~(e) the secured party may repledge the collateral upon terms which do not impair the debtor's right to redeem it.~~

~~(3) A secured party is liable for any loss caused by his failure to meet any obligation imposed by the preceding subsections but does not lose his security interest.~~

~~(4) A secured party may use or operate the collateral for the purpose of preserving the collateral or its value or pursuant to the order of a court of appropriate jurisdiction or, except in the case of consumer goods, in the manner and to the extent provided in the security agreement.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-208) (from Ch. 26, par. 9-208)

Sec. 9-208. Additional duties of secured party having control of collateral.

(a) Applicability of Section. This Section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value.

(b) Duties of secured party after receiving demand from debtor. Within 10 days after receiving an authenticated demand by the debtor:

(1) a secured party having control of a deposit account under Section 9-104(a)(2) shall send to the bank with which the deposit account is maintained an authenticated statement that releases the bank from any further obligation to comply with instructions originated by the secured party;

(2) a secured party having control of a deposit account under Section 9-104(a)(3) shall:

(A) pay the debtor the balance on deposit in the deposit account; or

(B) transfer the balance on deposit into a deposit

[Feb. 24, 2000]

account in the debtor's name;

(3) a secured party, other than a buyer, having control of electronic chattel paper under Section 9-105 shall:

(A) communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;

(B) if the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic chattel paper is maintained for the secured

party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(C) take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party;

(4) a secured party having control of investment property under Section 8-106(d)(2) or 9-106(b) shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; and

(5) a secured party having control of a letter-of-credit right under Section 9-107 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party. Request for statement of account or list of collateral.

~~(1) A debtor may sign a statement indicating what he believes to be the aggregate amount of unpaid indebtedness as of a specified date and may send it to the secured party with a request that the statement be approved or corrected and returned to the debtor. When the security agreement or any other record kept by the secured party identifies the collateral a debtor may similarly request the secured party to approve or correct a list of the collateral.~~

~~(2) The secured party must comply with such a request within two weeks after receipt by sending a written correction or approval. If the secured party claims a security interest in all of a particular type of collateral owned by the debtor he may indicate that fact in his reply and need not approve or correct an itemized list of such collateral. If the secured party without reasonable excuse fails to comply he is liable for any loss caused to the debtor thereby; and if the debtor has properly included in his request a good faith statement of the obligation or a list of the collateral or both the secured party may claim a security interest only as shown in the statement against persons misled by his failure to comply. If he no longer has an interest in the obligation or collateral at the time the request is received he must disclose the name and address of any successor in interest known to him and he is liable for any loss caused to the debtor as a result of failure to disclose. A successor in interest is not subject to this Section until a request is received by him.~~

~~(3) A debtor is entitled to such a statement once every 6 months without charge. The secured party may require payment of a charge not~~

[Feb. 24, 2000]

~~exceeding \$10 for each additional statement furnished.~~

~~(Source: Laws 1961, p. 2101.)~~

~~(810 ILCS 5/9-209 new)~~

~~Sec. 9-209. Duties of secured party if account debtor has been notified of assignment.~~

~~(a) Applicability of Section. Except as otherwise provided in subsection (c), this Section applies if:~~

~~(1) there is no outstanding secured obligation; and~~

~~(2) the secured party is not committed to make advances, incur obligations, or otherwise give value.~~

~~(b) Duties of secured party after receiving demand from debtor. Within 10 days after receiving an authenticated demand by the debtor, a secured party shall send to an account debtor that has received notification of an assignment to the secured party as assignee under Section 9-406(a) an authenticated record that releases the account debtor from any further obligation to the secured party.~~

~~(c) Inapplicability to sales. This Section does not apply to an assignment constituting the sale of an account, chattel paper, or payment intangible.~~

~~(810 ILCS 5/9-210 new)~~

~~Sec. 9-210. Request for accounting; request regarding list of collateral or statement of account.~~

~~(a) Definitions. In this Section:~~

~~(1) "Request" means a record of a type described in paragraph (2), (3), or (4).~~

~~(2) "Request for an accounting" means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.~~

~~(3) "Request regarding a list of collateral" means a record authenticated by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.~~

~~(4) "Request regarding a statement of account" means a record authenticated by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.~~

~~(b) Duty to respond to requests. Subject to subsections (c), (d), (e), and (f), a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within 14 days after receipt:~~

~~(1) in the case of a request for an accounting, by authenticating and sending to the debtor an accounting; and~~

~~(2) in the case of a request regarding a list of collateral or a request regarding a statement of account, by authenticating and sending to the debtor an approval or correction.~~

~~(c) Request regarding list of collateral; statement concerning type of collateral. A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of collateral by sending to the debtor an authenticated record including a statement to that effect within 14 days after receipt.~~

(d) Request regarding list of collateral; no interest claimed. A person that receives a request regarding a list of collateral, claims no interest in the collateral when it receives the request,

[Feb. 24, 2000]

87

and claimed an interest in the collateral at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor an authenticated record:

(1) disclaiming any interest in the collateral; and

(2) if known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the collateral.

(e) Request for accounting or regarding statement of account; no interest in obligation claimed. A person that receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when it receives the request, and claimed an interest in the obligations at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor an authenticated record:

(1) disclaiming any interest in the obligations; and

(2) if known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the obligations.

(f) Charges for responses. A debtor is entitled without charge to one response to a request under this Section during any six-month period. The secured party may require payment of a charge not exceeding \$25 for each additional response.

(810 ILCS 5/Art. 9, Part 3 heading)

PART 3. PERFECTION AND PRIORITY

~~RIGHTS OF THIRD PARTIES;~~

~~PERFECTED AND UNPERFECTED SECURITY~~

~~INTERESTS: RULES OF PRIORITY~~

(810 ILCS 5/Art. 9, Part 3, Subpart 1 heading new)

SUBPART 1. LAW GOVERNING PERFECTION AND PRIORITY

(810 ILCS 5/9-301) (from Ch. 26, par. 9-301)

Sec. 9-301. Law governing perfection and priority of security interests. Except as otherwise provided in Sections 9-303 through 9-306, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

(1) Except as otherwise provided in this Section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(3) Except as otherwise provided in paragraph (4), while negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

(A) perfection of a security interest in the goods by filing a fixture filing;

(B) perfection of a security interest in timber to be cut; and

(C) the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

~~Persons Who Take Priority Over Unperfected Security Interests;~~

[Feb. 24, 2000]

~~Rights of "Lien Creditor".~~

~~(1) Except as otherwise provided in subsection (2), an unperfected security interest is subordinate to the rights of~~

~~(a) persons entitled to priority under Section 9-312;~~

~~(b) a person who becomes a lien creditor before the security interest is perfected;~~

~~(c) in the case of goods, instruments, documents, and chattel paper, a person who is not a secured party and who is a transferee in bulk or other buyer not in ordinary course of business or is a buyer of farm products in ordinary course of business, to the extent that he gives value and receives delivery of the collateral without knowledge of the security interest and before it is perfected;~~

~~(d) in the case of accounts, general intangibles, and investment property, a person who is not a secured party and who is a transferee to the extent that he gives value without knowledge of the security interest and before it is perfected;~~

~~provided, however, that an unperfected security interest shall take priority over the rights of a lien creditor if (i) the lien creditor is a trustee or receiver of a state or federally chartered financial institution acting in furtherance of its supervisory authority over the financial institution and (ii) a security interest is granted by the financial institution to secure a deposit of public funds with the financial institution or a repurchase agreement with the financial institution pursuant to the Government Securities Act of 1986, as amended.~~

~~(2) If the secured party files with respect to a purchase money security interest before or within 20 days after the debtor receives possession of the collateral, he takes priority over the rights of a transferee in bulk or of a lien creditor which arise between the time the security interest attaches and the time of filing.~~

~~(3) A "lien creditor" means a creditor who has acquired a lien on the property involved by attachment, levy or the like and includes an assignee for benefit of creditors from the time of assignment, and a trustee in bankruptcy from the date of the filing of the petition or a receiver in equity from the time of appointment.~~

~~(4) A person who becomes a lien creditor while a security interest is perfected takes subject to the security interest only to the extent that it secures advances made before he becomes a lien~~

~~creditor or within 45 days thereafter or made without knowledge of the lien or pursuant to a commitment entered into without knowledge of the lien.~~

(Source: P.A. 89-364, eff. 1-1-96; 90-696, eff. 8-7-98.)

(810 ILCS 5/9-302) (from Ch. 26, par. 9-302)

Sec. 9-302. Law governing perfection and priority of agricultural liens. While farm products are located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of an agricultural lien on the farm products. When filing is required to perfect security interest; security interests to which filing provisions of this Article do not apply.

~~(1) A financing statement must be filed to perfect all security interests except the following:~~

~~(a) a security interest in collateral in possession of the secured party under Section 9-305;~~

~~(b) a security interest temporarily perfected in instruments, certificated securities, or documents without delivery under Section 9-304 or in proceeds for a 20 day period under Section 9-306;~~

~~(c) a security interest created by an assignment of a~~

[Feb. 24, 2000]

~~beneficial interest in a trust or a decedent's estate;~~

~~(d) a purchase money security interest in consumer goods; but filing is required for a motor vehicle required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in Section 9-313;~~

~~(e) an assignment of accounts which does not alone or in conjunction with other assignments to the same assignee transfer a significant part of the outstanding accounts of the assignor;~~

~~(f) a security interest of a collecting bank (Section 4-208) or arising under the Article on Sales (see Section 9-113) or covered in subsection (3) of this Section;~~

~~(g) an assignment for the benefit of all creditors of the transferor, and subsequent transfers by the assignee thereunder;~~

~~(h) a security interest in investment property which is perfected without filing under Section 9-115 or Section 9-116;~~

~~(i) a security interest in a deposit account. Such a security interest is perfected:~~

~~(i) as to a deposit account maintained with the secured party, when the security agreement is executed;~~

~~(ii) as to a deposit account maintained with any organization other than the secured party, when notice thereof is given in writing to the organization with whom the deposit account is maintained and that organization provides written acknowledgement of and consent to the notice of the secured party.~~

~~(j) a security interest in an uncertificated certificate of deposit. Such a security interest is perfected:~~

~~(i) as to an uncertificated certificate of deposit issued by the secured party, when the security agreement is~~

executed;

~~(ii) as to an uncertificated certificate of deposit issued by any organization other than the secured party, when notice thereof is given in writing to the issuer of the uncertificated certificate of deposit and the issuer provides written acknowledgement of and consent to the notice of the secured party.~~

~~(2) If a secured party assigns a perfected security interest, no filing under this Article is required in order to continue the perfected status of the security interest against creditors of and transferees from the original debtor.~~

~~(3) The filing of a financing statement otherwise required by this Article is not necessary or effective to perfect a security interest in property subject to~~

~~(a) a statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this Article for filing of the security interest; or~~

~~(b) the following statutes of this State: the Illinois Vehicle Code; the Boat Registration and Safety Act; but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this Article (Part 4) apply to a security interest in that collateral created by him as debtor; or~~

~~(c) a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection (subsection (2) of Section 9-103).~~

~~(4) Compliance with a statute or treaty described in subsection~~

[Feb. 24, 2000]

~~(3) is equivalent to the filing of a financing statement under this Article, and a security interest in property subject to the statute or treaty can be perfected only by compliance therewith except as provided in Section 9-103 on multiple state transactions. Duration and renewal of perfection of a security interest perfected by compliance with the statute or treaty are governed by the provisions of the statute or treaty; in other respects the security interest is subject to this Article.~~

~~(Source: P.A. 89-364, eff. 1-1-96; 90-665, eff. 7-30-98.)~~

~~(810 ILCS 5/9-303) (from Ch. 26, par. 9-303)~~

~~Sec. 9-303. Law governing perfection and priority of security interests in goods covered by a certificate of title.~~

~~(a) Applicability of Section. This Section applies to goods covered by a certificate of title, even if there is no other relationship between the jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.~~

~~(b) When goods covered by certificate of title. Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to~~

be effective under the law of the issuing jurisdiction or the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

(c) Applicable law. The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title. ~~When security interest is perfected; continuity of perfection.~~

(1) ~~A security interest is perfected when it has attached and when all of the applicable steps required for perfection have been taken. Such steps are specified in Sections 9-302, 9-304, 9-305 and 9-306. If such steps are taken before the security interest attaches, it is perfected at the time when it attaches.~~

(2) ~~If a security interest is originally perfected in any way permitted under this Article and is subsequently perfected in some other way under this Article, without an intermediate period when it was unperfected, the security interest shall be deemed to be perfected continuously for the purposes of this Article.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-304) (from Ch. 26, par. 9-304)

Sec. 9-304. Law governing perfection and priority of security interests in deposit accounts.

(a) Law of bank's jurisdiction governs. The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank.

(b) Bank's jurisdiction. The following rules determine a bank's jurisdiction for purposes of this Part:

(1) If an agreement between the bank and the debtor governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this Part, this Article, or the Uniform Commercial Code, that jurisdiction is the bank's jurisdiction.

(2) If paragraph (1) does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's

[Feb. 24, 2000]

jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(4) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located.

(5) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the chief executive

~~office of the bank is located. Perfection of security interest in instruments, documents, proceeds of a written letter of credit, and goods covered by documents; perfection by permissive filing; temporary perfection without filing or transfer of possession.~~

~~(1) A security interest in chattel paper or negotiable documents may be perfected by filing. A security interest in the rights to proceeds of a written letter of credit can be perfected only by the secured party's taking possession of the letter of credit. A security interest in money or instruments (other than instruments which constitute part of chattel paper) can be perfected only by the secured party's taking possession, except as provided in subsections (4) and (5) of this Section and subsections (2) and (3) of Section 9-306 on proceeds.~~

~~(2) During the period that goods are in the possession of the issuer of a negotiable document therefor, a security interest in the goods is perfected by perfecting a security interest in the document, and any security interest in the goods otherwise perfected during such period is subject thereto.~~

~~(3) A security interest in goods in the possession of a bailee other than one who has issued a negotiable document therefor is perfected by issuance of a document in the name of the secured party or by the bailee's receipt of notification of the secured party's interest or by filing as to the goods.~~

~~(4) A security interest in instruments, certificated securities, or negotiable documents is perfected without filing or the taking of possession for a period of 21 days from the time it attaches to the extent that it arises for new value given under a written security agreement.~~

~~(5) A security interest remains perfected for a period of 21 days without filing where a secured party having a perfected security interest in an instrument, a certificated security, a negotiable document, or goods in possession of a bailee other than one who has issued a negotiable document therefor.~~

~~(a) makes available to the debtor the goods or documents representing the goods for the purpose of ultimate sale or exchange or for the purpose of loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing with them in a manner preliminary to their sale or exchange, but priority between conflicting security interests in the goods is subject to subsection (3) of Section 9-312; or~~

~~(b) delivers the instrument or certificated security to the debtor for the purpose of ultimate sale or exchange or of presentation, collection, renewal or registration of transfer.~~

~~(6) After the 21 day period in subsections (4) and (5) perfection depends upon compliance with applicable provisions of this Article.~~

(Source: P.A. 89-364, eff. 1-1-96; 89-534, eff. 1-1-97.)

(810 ILCS 5/9-305) (from Ch. 26, par. 9-305)

[Feb. 24, 2000]

Sec. 9-305. Law governing perfection and priority of security interests in investment property.

(a) Governing law: general rules. Except as otherwise provided

in subsection (c), the following rules apply:

(1) While a security certificate is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in the certificated security represented thereby.

(2) The local law of the issuer's jurisdiction as specified in Section 8-110(d) governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in an uncertificated security.

(3) The local law of the securities intermediary's jurisdiction as specified in Section 8-110(e) governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a security entitlement or securities account.

(4) The local law of the commodity intermediary's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a commodity contract or commodity account.

(b) Commodity intermediary's jurisdiction. The following rules determine a commodity intermediary's jurisdiction for purposes of this Part:

(1) If an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that a particular jurisdiction is the commodity intermediary's jurisdiction for purposes of this Part, this Article, or the Uniform Commercial Code, that jurisdiction is the commodity intermediary's jurisdiction.

(2) If paragraph (1) does not apply and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) applies and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the commodity account is maintained at an office in a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(4) If none of the preceding paragraphs applies, the commodity intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the commodity customer's account is located.

(5) If none of the preceding paragraphs applies, the commodity intermediary's jurisdiction is the jurisdiction in which the chief executive office of the commodity intermediary is located.

(c) When perfection governed by law of jurisdiction where debtor located. The local law of the jurisdiction in which the debtor is located governs:

(1) perfection of a security interest in investment property by filing;

(2) automatic perfection of a security interest in investment property created by a broker or securities intermediary; and

(3) automatic perfection of a security interest in a commodity contract or commodity account created by a commodity

~~intermediary. When possession by secured party perfects security interest without filing. A security interest in goods, instruments, money, negotiable documents, or chattel paper may be perfected by the secured party's taking possession of the collateral. A security interest in the right to proceeds of a written letter of credit may be perfected by the secured party's taking possession of the letter of credit. If such collateral other than goods covered by a negotiable document is held by a bailee, the secured party is deemed to have possession from the time the bailee receives notification of the secured party's interest. A security interest is perfected by possession from the time possession is taken without relation back and continues only so long as possession is retained, unless otherwise specified in this Article. The security interest may be otherwise perfected as provided in this Article before or after the period of possession by the secured party.~~

(Source: P.A. 89-364, eff. 1-1-96; 89-534, eff. 1-1-97.)

(810 ILCS 5/9-306) (from Ch. 26, par. 9-306)

Sec. 9-306. Law governing perfection and priority of security interests in letter-of-credit rights.

(a) Governing law: issuer's or nominated person's jurisdiction. Subject to subsection (c), the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a State.

(b) Issuer's or nominated person's jurisdiction. For purposes of this Part, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in Section 5-116.

(c) When Section not applicable. This Section does not apply to a security interest that is perfected only under Section 9-308(d). "Proceeds"; Secured Party's Rights on Disposition of Collateral.

~~(1) "Proceeds" includes whatever is received upon the sale, exchange, collection or other disposition of collateral or proceeds. Insurance payable by reason of loss or damage to the collateral is proceeds, except to the extent that it is payable to a person other than a party to the security agreement. Any payments or distributions made with respect to investment property collateral are proceeds. Money, checks, deposit accounts, and the like are "cash proceeds". All other proceeds are "non-cash proceeds".~~

~~(2) Except where this Article otherwise provides, a security interest continues in collateral notwithstanding sale, exchange or other disposition thereof unless the disposition was authorized by the secured party in the security agreement or otherwise, and also continues in any identifiable proceeds including collections received by the debtor.~~

~~(3) The security interest in proceeds is a continuously perfected security interest if the interest in the original collateral was perfected but it ceases to be a perfected security~~

interest and becomes unperfected 20 days after receipt of the proceeds by the debtor unless

~~(a) a filed financing statement covers the original collateral and the proceeds are collateral in which a security interest may be perfected by filing in the office or offices where the financing statement has been filed and, if the proceeds are acquired with cash proceeds, the description of collateral in the financing statement indicates the types of property constituting the proceeds; or~~

[Feb. 24, 2000]

94

~~(b) a filed financing statement covers the original collateral and the proceeds are identifiable cash proceeds;~~

~~(c) the original collateral was investment property and the proceeds are identifiable cash proceeds; or~~

~~(d) the security interest in the proceeds is perfected before the expiration of the 20 day period.~~

~~Except as provided in this Section, a security interest in proceeds can be perfected only by the methods or under the circumstances permitted in this Article for original collateral of the same type.~~

~~(4) In the event of insolvency proceedings instituted by or against a debtor, a secured party with a perfected security interest in proceeds has a perfected security interest only in the following proceeds:~~

~~(a) in identifiable non-cash proceeds and in separate deposit accounts containing only proceeds;~~

~~(b) in identifiable cash proceeds in the form of money which is neither commingled with other money nor deposited in a deposit account prior to the insolvency proceedings;~~

~~(c) in identifiable cash proceeds in the form of checks and the like which are not deposited in a deposit account prior to the insolvency proceedings; and~~

~~(d) in all cash and deposit accounts of the debtor in which proceeds have been commingled with other funds, but the perfected security interest under this paragraph (d) is~~

~~(i) subject to any right to set-off; and~~

~~(ii) limited to an amount not greater than the amount of any cash proceeds received by the debtor within 20 days before the institution of the insolvency proceedings less the sum of (I) the payments to the secured party on account of cash proceeds received by the debtor during such period and (II) the cash proceeds received by the debtor during such period to which the secured party is entitled under paragraphs (a) through (c) of this subsection (4).~~

~~(5) If a sale of goods results in an account or chattel paper which is transferred by the seller to a secured party, and if the goods are returned to or are repossessed by the seller or the secured party, the following rules determine priorities:~~

~~(a) If the goods were collateral at the time of sale, for an indebtedness of the seller which is still unpaid, the original security interest attaches again to the goods and continues as a perfected security interest if it was perfected at the time when~~

~~the goods were sold. If the security interest was originally perfected by a filing which is still effective, nothing further is required to continue the perfected status; in any other case, the secured party must take possession of the returned or repossessed goods or must file.~~

~~(b) An unpaid transferee of the chattel paper has a security interest in the goods against the transferor. Such security interest is prior to a security interest asserted under paragraph (a) to the extent that the transferee of the chattel paper was entitled to priority under Section 9-308.~~

~~(c) An unpaid transferee of the account has a security interest in the goods against the transferor. Such security interest is subordinate to a security interest asserted under paragraph (a).~~

~~(d) A security interest of an unpaid transferee asserted under paragraph (b) or (c) must be perfected for protection against creditors of the transferor and purchasers of the returned or repossessed goods.~~

[Feb. 24, 2000]

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/9-306.01) (from Ch. 26, par. 9-306.01)

~~Sec. 9-306.01. (Blank). Debtor disposing of collateral and failing to pay secured party amount due under security agreement; penalties for violation.~~

~~(1) It is unlawful for a debtor under the terms of a security agreement (a) who has no right of sale or other disposition of the collateral or (b) who has a right of sale or other disposition of the collateral and is to account to the secured party for the proceeds of any sale or other disposition of the collateral, to sell or otherwise dispose of the collateral and willfully and wrongfully to fail to pay the secured party the amount of said proceeds due under the security agreement. Failure to pay such proceeds to the secured party within 10 days after the sale or other disposition of the collateral is prima facie evidence of a willful and wanton failure to pay.~~

~~(2) An individual convicted of a violation of this Section shall be guilty of a Class 3 felony.~~

~~(3) A corporation convicted of a violation of this Section shall be guilty of a business offense and shall be fined not less than two thousand dollars nor more than ten thousand dollars.~~

~~(4) In the event the debtor under the terms of a security agreement is a corporation or a partnership, any officer, director, manager, or managerial agent of the debtor who violates this Section or causes the debtor to violate this Section shall be guilty of a Class 3 felony.~~

(Source: P.A. 83-69.)

(810 ILCS 5/9-306.02) (from Ch. 26, par. 9-306.02)

~~Sec. 9-306.02. (Blank). (1) Where, pursuant to Section 9-205.1, a secured party has required that before the debtor sells or otherwise disposes of collateral in the debtor's possession he disclose to the secured party the persons to whom he desires to sell or otherwise dispose of such collateral, it is unlawful for the debtor to sell or otherwise dispose of the collateral to a person~~

~~other than a person so disclosed to the secured party.~~

~~(2) An individual convicted of a violation of this Section shall be guilty of a Class A misdemeanor.~~

~~(3) A corporation convicted of a violation of this Section shall be guilty of a business offense and shall be fined not less than \$2,000 nor more than \$10,000.~~

~~(4) In the event the debtor under the terms of a security agreement is a corporation or a partnership, any officer, director, manager or managerial agent of the debtor who violates this Section or causes the debtor to violate this Section shall be guilty of a Class A misdemeanor.~~

~~(5) It is an affirmative defense to a prosecution for the violation of this Section that the debtor has paid to the secured party the proceeds from the sale or other disposition of the collateral within 10 days after such sale or disposition.~~

~~(Source: P.A. 84-1372.)~~

~~(810 ILCS 5/9-307) (from Ch. 26, par. 9-307)~~

~~Sec. 9-307. Location of debtor.~~

~~(a) "Place of business." In this Section, "place of business" means a place where a debtor conducts its affairs.~~

~~(b) Debtor's location: general rules. Except as otherwise provided in this Section, the following rules determine a debtor's location:~~

~~(1) A debtor who is an individual is located at the individual's principal residence.~~

~~(2) A debtor that is an organization and has only one place of business is located at its place of business.~~

[Feb. 24, 2000]

~~(3) A debtor that is an organization and has more than one place of business is located at its chief executive office.~~

~~(c) Limitation of applicability of subsection (b). Subsection (b) applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection (b) does not apply, the debtor is located in the District of Columbia.~~

~~(d) Continuation of location: cessation of existence, etc. A person that ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by subsections (b) and (c).~~

~~(e) Location of registered organization organized under State law. A registered organization that is organized under the law of a State is located in that State.~~

~~(f) Location of registered organization organized under federal law; bank branches and agencies. Except as otherwise provided in subsection (i), a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a State are located:~~

~~(1) in the State that the law of the United States~~

designates, if the law designates a State of location;

(2) in the State that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its State of location; or

(3) in the District of Columbia, if neither paragraph (1) nor paragraph (2) applies.

(g) Continuation of location: change in status of registered organization. A registered organization continues to be located in the jurisdiction specified by subsection (e) or (f) notwithstanding:

(1) the suspension, revocation, forfeiture, or lapse of the registered organization's status as such in its jurisdiction of organization; or

(2) the dissolution, winding up, or cancellation of the existence of the registered organization.

(h) Location of United States. The United States is located in the District of Columbia.

(i) Location of foreign bank branch or agency if licensed in only one State. A branch or agency of a bank that is not organized under the law of the United States or a State is located in the State in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one State.

(j) Location of foreign air carrier. A foreign air carrier under the Federal Aviation Act of 1958, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

(k) Section applies only to this Part. This Section applies only for purposes of this Part. Protection of Buyers of Goods.

(1) Except as provided in subsection (4), a buyer in the ordinary course of business, as defined in subsection (9) of Section 1-201, takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its existence.

(2) In the case of consumer goods, a buyer takes free of a security interest even though perfected if he buys without knowledge of the security interest, for value and for his own personal, family

[Feb. 24, 2000]

~~or household purposes unless prior to the purchase the secured party has filed a financing statement covering such goods.~~

~~(3) A buyer other than a buyer in ordinary course of business (subsection (1) of this Section) takes free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the purchase, or more than 45 days after the purchase, whichever first occurs, unless made pursuant to a commitment entered into without knowledge of the purchase and before the expiration of the 45 day period.~~

~~(4) A buyer of farm products takes subject to a security interest created by the seller if:~~

~~(a) within one year before the sale of the farm products, the buyer has received from the secured party or the seller written notice of the security interest organized according to farm products that:~~

~~(i) is an original or reproduced copy thereof;~~
~~(ii) contains,~~
~~(I) the name and address of the secured party;~~
~~(II) the name and address of the person indebted to the secured party;~~
~~(III) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;~~
~~(IV) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable, crop year, county, and a reasonable description of the property;~~
~~(iii) must be amended in writing, within 3 months, similarly signed and transmitted, to reflect material changes;~~
~~(iv) will lapse on either the expiration period of the statement or the transmission of a notice signed by the secured party that the statement has lapsed, whichever occurs first; and~~
~~(v) sets forth any payment obligations imposed on the buyer by the secured party as conditions for waiver or release of the security interest; and~~
~~(b) the buyer has failed to perform the payment obligations.~~

~~For the purposes of this subsection (4), a buyer of farm products has received notice from the secured party or seller when written notice of the security interest is sent to the buyer by registered or certified mail.~~

~~(Source: P.A. 84-1372; revised 10-31-98.)~~

~~(810 ILCS 5/9-307.1) (from Ch. 26, par. 9-307.1)~~

~~Sec. 9-307.1. (Blank). A commission merchant or selling agent who sells a farm product for others shall be subject to a security interest created by the seller in such farm product if-~~

~~(a) within one year before the sale of the farm products, the buyer has received from the secured party or the seller written notice of the security interest organized according to farm products that:-~~

~~(i) is an original or reproduced copy thereof;~~
~~(ii) contains,~~
~~(I) the name and address of the secured party;~~
~~(II) the name and address of the person indebted to the secured party;~~
~~(III) the social security number of the debtor or, in the case~~

[Feb. 24, 2000]

~~of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;~~

~~(IV) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable, crop year, county, and a reasonable description of the property;~~

~~(iii) must be amended in writing, within 3 months, similarly signed and transmitted, to reflect material changes;~~

~~(iv) will lapse on either the expiration period of the statement or the transmission of a notice signed by the secured party that the statement has lapsed, whichever occurs first; and~~

~~(v) sets forth any payment obligations imposed on the buyer by the secured party as conditions for waiver or release of the security interest; and~~

~~(b) the commission merchant or selling agent has failed to perform the payment obligations.~~

~~For the purposes of this Section, a commission merchant or selling agent has received notice from the secured party or seller when written notice of the security interest is sent to the commission merchant or selling agent by registered or certified mail. (Source: P.A. 84-1372.)~~

~~(810 ILCS 5/9-307.2) (from Ch. 26, par. 9-307.2)~~

~~Sec. 9-307.2. (Blank). A commission merchant or selling agent who sells farm products for others, and any person buying farm products in the ordinary course of business from a person engaged in farming operations, shall post at each licensed location where said merchant, agent or person buying farm products in the ordinary course of business does business a notice which shall read as follows:~~

~~"NOTICE TO SELLERS OF FARM PRODUCTS~~

~~It is a criminal offense to sell farm products subject to a security interest without making payment to the secured party. You should notify the purchaser if there is a security interest in the farm products you are selling."~~

~~Such notice shall be posted in a conspicuous manner and shall be in contrasting type, large enough to be read from a distance of 10 feet.~~

~~(Source: P.A. 83-69.)~~

~~(810 ILCS 5/Art. 9, Part 3, Subpart 2 heading new)~~

~~SUBPART 2. PERFECTION~~

~~(810 ILCS 5/9-308) (from Ch. 26, par. 9-308)~~

~~Sec. 9-308. When security interest or agricultural lien is perfected; continuity of perfection.~~

~~(a) Perfection of security interest. Except as otherwise provided in this Section and Section 9-309, a security interest is perfected if it has attached and all of the applicable requirements for perfection in Sections 9-310 through 9-316 have been satisfied. A security interest is perfected when it attaches if the applicable requirements are satisfied before the security interest attaches.~~

~~(b) Perfection of agricultural lien. An agricultural lien is perfected if it has become effective and all of the applicable requirements for perfection in Section 9-310 have been satisfied. An agricultural lien is perfected when it becomes effective if the applicable requirements are satisfied before the agricultural lien becomes effective.~~

~~(c) Continuous perfection; perfection by different methods. A security interest or agricultural lien is perfected continuously if it is originally perfected by one method under this Article and is later perfected by another method under this Article, without an intermediate period when it was unperfected.~~

(d) Supporting obligation. Perfection of a security interest in collateral also perfects a security interest in a supporting obligation for the collateral.

(e) Lien securing right to payment. Perfection of a security interest in a right to payment or performance also perfects a security interest in a security interest, mortgage, or other lien on personal or real property securing the right.

(f) Security entitlement carried in securities account. Perfection of a security interest in a securities account also perfects a security interest in the security entitlements carried in the securities account.

(g) Commodity contract carried in commodity account. Perfection of a security interest in a commodity account also perfects a security interest in the commodity contracts carried in the commodity account. ~~Purchase of Chattel Paper and Instruments.~~

~~A purchaser of chattel paper or an instrument who gives new value and takes possession of it in the ordinary course of his business has priority over a security interest in the chattel paper or instrument~~

~~(a) which is perfected under Section 9-304 (permissive filing and temporary perfection) or under Section 9-306 (perfection as to proceeds) if he acts without knowledge that the specific paper or instrument is subject to a security interest; or~~

~~(b) which is claimed merely as proceeds of inventory subject to a security interest (Section 9-306) even though he knows that the specific paper or instrument is subject to the security interest.~~

(Source: P. A. 77-2810.)

(810 ILCS 5/9-309) (from Ch. 26, par. 9-309)

Sec. 9-309. Security interest perfected upon attachment. The following security interests are perfected when they attach:

(1) a purchase-money security interest in consumer goods, except as otherwise provided in Section 9-311(b) with respect to consumer goods that are subject to a statute or treaty described in Section 9-311(a);

(2) an assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer a significant part of the assignor's outstanding accounts or payment intangibles;

(3) a sale of a payment intangible;

(4) a sale of a promissory note;

(5) a security interest created by the assignment of a health-care-insurance receivable to the provider of the health-care goods or services;

(6) a security interest arising under Section 2-401, 2-505, 2-711(3), or 2A-508(5), until the debtor obtains possession of the collateral;

(7) a security interest of a collecting bank arising under Section 4-210;

(8) a security interest of an issuer or nominated person arising under Section 5-118;

(9) a security interest arising in the delivery of a financial asset under Section 9-206(c);

(10) a security interest in investment property created by a broker or securities intermediary;

(11) a security interest in a commodity contract or a

commodity account created by a commodity intermediary;

(12) an assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; and

(13) a security interest created by an assignment of a beneficial interest in a decedent's estate. Protection of

[Feb. 24, 2000]

~~purchasers of instruments, documents and securities. Nothing in this Article limits the rights of a holder in due course of a negotiable instrument (Section 3-302) or a holder to whom a negotiable document of title has been duly negotiated (Section 7-501) or a protected purchaser of a security (Section 8-303) and such holders or purchasers take priority over an earlier security interest even though perfected. Filing under this Article does not constitute notice of the security interest to such holders or purchasers.~~

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/9-310) (from Ch. 26, par. 9-310)

Sec. 9-310. When filing required to perfect security interest or agricultural lien; security interests and agricultural liens to which filing provisions do not apply.

(a) General rule: perfection by filing. Except as otherwise provided in subsection (b) and Section 9-312(b), a financing statement must be filed to perfect all security interests and agricultural liens.

(b) Exceptions: filing not necessary. The filing of a financing statement is not necessary to perfect a security interest:

(1) that is perfected under Section 9-308(d), (e), (f), or (g);

(2) that is perfected under Section 9-309 when it attaches;

(3) in property subject to a statute, regulation, or treaty described in Section 9-311(a);

(4) in goods in possession of a bailee which is perfected under Section 9-312(d)(1) or (2);

(5) in certificated securities, documents, goods, or instruments which is perfected without filing or possession under Section 9-312(e), (f), or (g);

(6) in collateral in the secured party's possession under Section 9-313;

(7) in a certificated security which is perfected by delivery of the security certificate to the secured party under Section 9-313;

(8) in deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights which is perfected by control under Section 9-314;

(9) in proceeds which is perfected under Section 9-315; or

(10) that is perfected under Section 9-316.

(c) Assignment of perfected security interest. If a secured party assigns a perfected security interest or agricultural lien, a filing under this Article is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor. Priority of certain liens arising by

operation of law.

~~When a person in the ordinary course of his business furnishes services or materials with respect to goods subject to a security interest, a lien upon goods in the possession of such person given by statute or rule of law for such materials or services takes priority over a perfected security interest unless the lien is statutory and the statute expressly provides otherwise.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-311) (from Ch. 26, par. 9-311)

Sec. 9-311. Perfection of security interests in property subject to certain statutes, regulations, and treaties.

(a) Security interest subject to other law. Except as otherwise provided in subsection (d), the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

[Feb. 24, 2000]

101

(1) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt Section 9-310(a);

(2) the Illinois Vehicle Code or the Boat Registration and Safety Act; or

(3) a certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(b) Compliance with other law. Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this Article. Except as otherwise provided in subsection (d) and Sections 9-313 and 9-316(d) and (e) for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) Duration and renewal of perfection. Except as otherwise provided in subsection (d) and Section 9-316(d) and (e), duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this Article.

(d) Inapplicability to certain inventory. During any period in which collateral subject to a statute specified in subsection (a)(2) is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling or leasing goods of that kind, this Section does not apply to a security interest in that collateral created by that person as debtor.
Alienability of debtor's rights: judicial process.

~~The debtor's rights in collateral may be voluntarily or involuntarily transferred (by way of sale, creation of a security interest, attachment, levy, garnishment or other judicial process) notwithstanding a provision in the security agreement prohibiting any transfer or making the transfer constitute a default.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-312) (from Ch. 26, par. 9-312)

Sec. 9-312. Perfection of security interests in chattel paper, deposit accounts, documents, goods covered by documents, instruments, investment property, letter-of-credit rights, and money; perfection by permissive filing; temporary perfection without filing or transfer of possession.

(a) Perfection by filing permitted. A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing.

(b) Control or possession of certain collateral. Except as otherwise provided in Section 9-315(c) and (d) for proceeds:

(1) a security interest in a deposit account may be perfected only by control under Section 9-314;

(2) and except as otherwise provided in Section 9-308(d), a security interest in a letter-of-credit right may be perfected only by control under Section 9-314; and

(3) a security interest in money may be perfected only by the secured party's taking possession under Section 9-313.

[Feb. 24, 2000]

(c) Goods covered by negotiable document. While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

(1) a security interest in the goods may be perfected by perfecting a security interest in the document; and

(2) a security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

(d) Goods covered by nonnegotiable document. While goods are in the possession of a bailee that has issued a nonnegotiable document covering the goods, a security interest in the goods may be perfected by:

(1) issuance of a document in the name of the secured party;

(2) the bailee's receipt of notification of the secured party's interest; or

(3) filing as to the goods.

(e) Temporary perfection: new value. A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession for a period of 20 days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

(f) Temporary perfection: goods or documents made available to debtor. A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for 20 days without filing if the secured party makes available to the debtor the

goods or documents representing the goods for the purpose of:

(1) ultimate sale or exchange; or

(2) loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

(g) Temporary perfection: delivery of security certificate or instrument to debtor. A perfected security interest in a certificated security or instrument remains perfected for 20 days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

(1) ultimate sale or exchange; or

(2) presentation, collection, enforcement, renewal, or registration of transfer.

(h) Expiration of temporary perfection. After the 20-day period specified in subsection (e), (f), or (g) expires, perfection depends upon compliance with this Article. ~~Priorities Among Conflicting Security Interests in the Same Collateral.~~

~~(1) The rules of priority stated in other Sections of this Part and in the following Sections shall govern when applicable: Section 4-210 with respect to the security interests of collecting banks in items being collected, accompanying documents and proceeds; Section 9-103 on security interests related to other jurisdictions; Section 9-114 on consignments; Section 9-115 on security interests in investment property.~~

~~(2) A perfected security interest in crops for new value given to enable the debtor to produce the crops during the production season and given not more than three months before the crops become growing crops by planting or otherwise takes priority over an earlier perfected security interest to the extent that such earlier interest secures obligations due more than six months before the crops become growing crops by planting or otherwise, even though the person giving new value had knowledge of the earlier security interest.~~

~~(3) A perfected purchase money security interest in inventory~~

[Feb. 24, 2000]

~~has priority over a conflicting security interest in the same inventory and also has priority in identifiable cash proceeds received on or before the delivery of the inventory to a buyer if~~

~~(a) the purchase money security interest is perfected at the time the debtor receives possession of the inventory; and~~

~~(b) the purchase money secured party gives notification in writing to the holder of the conflicting security interest if the holder had filed a financing statement covering the same types of inventory (i) before the date of the filing made by the purchase money secured party, or (ii) before the beginning of the 21 day period where the purchase money security interest is temporarily perfected without filing or possession (subsection (5) of Section 9-304); and~~

~~(c) the holder of the conflicting security interest receives the notification within 5 years before the debtor receives possession of the inventory; and~~

~~(d) the notification states that the person giving the notice has or expects to acquire a purchase money security~~

interest in inventory of the debtor, describing such inventory by item or type.

~~(4) A purchase money security interest in collateral other than inventory has priority over a conflicting security interest in the same collateral or its proceeds if the purchase money security interest is perfected at the time the debtor receives possession of the collateral or within 20 days thereafter.~~

~~(5) In all cases not governed by other rules stated in this Section (including cases of purchase money security interests which do not qualify for the special priorities set forth in subsections (3) and (4) of this Section), priority between conflicting security interests in the same collateral shall be determined according to the following rules:~~

~~(a) Conflicting security interests rank according to priority in time of filing or perfection. Priority dates from the time a filing is first made covering the collateral or the time the security interest is first perfected, whichever is earlier, provided that there is no period thereafter when there is neither filing nor perfection.~~

~~(b) So long as conflicting security interests are unperfected, the first to attach has priority.~~

~~(6) For the purposes of subsection (5) a date of filing or perfection as to collateral is also a date of filing or perfection as to proceeds.~~

~~(7) If future advances are made while a security interest is perfected by filing, the taking of possession or under Section 9-115 or 9-116 on investment property, the security interest has the same priority for the purposes of subsection (5) with respect to the future advances as it does with respect to the first advance. If a commitment is made before or while the security interest is so perfected, the security interest has the same priority with respect to advances made pursuant thereto. In other cases a perfected security interest has priority from the date the advance is made.~~

~~(Source: P.A. 89-364, eff. 1-1-96.)~~

~~(810 ILCS 5/9-313) (from Ch. 26, par. 9-313)~~

Sec. 9-313. When possession by or delivery to secured party perfects security interest without filing.

(a) Perfection by possession or delivery. Except as otherwise provided in subsection (b), a secured party may perfect a security interest in negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated

[Feb. 24, 2000]

securities by taking delivery of the certificated securities under Section 8-301.

(b) Goods covered by certificate of title. With respect to goods covered by a certificate of title issued by this State, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in Section 9-316(d).

(c) Collateral in possession of person other than debtor. With respect to collateral other than certificated securities and goods

covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(1) the person in possession authenticates a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

(2) the person takes possession of the collateral after having authenticated a record acknowledging that it will hold possession of collateral for the secured party's benefit.

(d) Time of perfection by possession; continuation of perfection. If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

(e) Time of perfection by delivery; continuation of perfection. A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under Section 8-301 and remains perfected by delivery until the debtor obtains possession of the security certificate.

(f) Acknowledgment not required. A person in possession of collateral is not required to acknowledge that it holds possession for a secured party's benefit.

(g) Effectiveness of acknowledgment; no duties or confirmation. If a person acknowledges that it holds possession for the secured party's benefit:

(1) the acknowledgment is effective under subsection (c) or Section 8-301(a), even if the acknowledgment violates the rights of a debtor; and

(2) unless the person otherwise agrees or law other than this Article otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

(h) Secured party's delivery to person other than debtor. A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

(1) to hold possession of the collateral for the secured party's benefit; or

(2) to redeliver the collateral to the secured party.

(i) Effect of delivery under subsection (h); no duties or confirmation. A secured party does not relinquish possession, even if a delivery under subsection (h) violates the rights of a debtor. A person to which collateral is delivered under subsection (h) does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this Article otherwise provides.

Priority of Security Interests in Fixtures.

(1) In this Section and in the provisions of Part 4 of this

[Feb. 24, 2000]

~~Article referring to fixture filing, unless the context otherwise requires~~

~~(a) Goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law~~

~~(b) A "fixture filing" is the filing in the office where a mortgage on the real estate would be filed or recorded of a financing statement covering goods which are or are to become fixtures and conforming to the requirements of subsection (5) of Section 9-402~~

~~(c) A mortgage is a "construction mortgage" to the extent that it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates.~~

~~(2) A security interest under this Article may be created in goods which are fixtures or may continue in goods which become fixtures, but no security interest exists under this Article in ordinary building materials incorporated into an improvement on land.~~

~~(3) This Article does not prevent creation of an encumbrance upon fixtures pursuant to real estate law.~~

~~(4) A perfected security interest in fixtures has priority over the conflicting interest of an encumbrancer or owner of the real estate where~~

~~(a) the security interest is a purchase money security interest, the interest of the encumbrancer or owner arises before the goods become fixtures, the security interest is perfected by a fixture filing before the goods become fixtures or within 10 days thereafter, and the debtor has an interest of record in the real estate or is in possession of the real estate; or~~

~~(b) the security interest is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the security interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the debtor has an interest of record in the real estate or is in possession of the real estate; or~~

~~(c) the fixtures are readily removable factory or office machines or readily removable replacements of domestic appliances which are consumer goods, and before the goods become fixtures the security interest is perfected by any method permitted by this Article; or~~

~~(d) the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article.~~

~~(5) A security interest in fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate where~~

~~(a) the encumbrancer or owner has consented in writing to the security interest or has disclaimed an interest in the goods as fixtures; or~~

~~(b) the debtor has a right to remove the goods as against the encumbrancer or owner. If the debtor's right terminates, the priority of the security interest continues for a reasonable time.~~

~~(6) Notwithstanding paragraph (a) of subsection (4) but otherwise subject to subsections (4) and (5), a security interest in fixtures is subordinate to a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the~~

~~completion of the construction. To the extent that it is given to refinance a construction mortgage, a mortgage has this priority to the same extent as the construction mortgage.~~

[Feb. 24, 2000]

106

~~(7) In cases not within the preceding subsections, a security interest in fixtures is subordinate to the conflicting interest of an encumbrancer or owner of the related real estate who is not the debtor.~~

~~(8) When the secured party has priority over all owners and encumbrancers of the real estate, he may, on default, subject to the provisions of Part 5, remove his collateral from the real estate but he must reimburse any encumbrancer or owner of the real estate who is not the debtor and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate security for the performance of this obligation.~~

~~(Source: P. A. 78-238; revised 10-31-98.)~~

~~(810 ILCS 5/9-314) (from Ch. 26, par. 9-314)~~

~~Sec. 9-314. Perfection by control.~~

~~(a) Perfection by control. A security interest in investment property, deposit accounts, letter-of-credit rights, or electronic chattel paper may be perfected by control of the collateral under Section 9-104, 9-105, 9-106, or 9-107.~~

~~(b) Specified collateral: time of perfection by control; continuation of perfection. A security interest in deposit accounts, electronic chattel paper, or letter-of-credit rights is perfected by control under Section 9-104, 9-105, or 9-107 when the secured party obtains control and remains perfected by control only while the secured party retains control.~~

~~(c) Investment property: time of perfection by control; continuation of perfection. A security interest in investment property is perfected by control under Section 9-106 from the time the secured party obtains control and remains perfected by control until:~~

~~(1) the secured party does not have control; and~~

~~(2) one of the following occurs:~~

~~(A) if the collateral is a certificated security, the debtor has or acquires possession of the security certificate;~~

~~(B) if the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or~~

~~(C) if the collateral is a security entitlement, the debtor is or becomes the entitlement holder. Accessions.~~

~~(1) A security interest in goods which attaches before they are installed in or affixed to other goods takes priority as to the goods installed or affixed (called in this section "accessions") over the claims of all persons to the whole except as stated in subsection (3) and subject to Section 9--315(1).~~

~~(2) A security interest which attaches to goods after they~~

~~become part of a whole is valid against all persons subsequently acquiring interests in the whole except as stated in subsection (3) but is invalid against any person with an interest in the whole at the time the security interest attaches to the goods who has not in writing consented to the security interest or disclaimed an interest in the goods as part of the whole.~~

~~(3) The security interests described in subsections (1) and (2) do not take priority over~~

~~(a) a subsequent purchaser for value of any interest in the whole; or~~

~~(b) a creditor with a lien on the whole subsequently obtained by judicial proceedings; or~~

[Feb. 24, 2000]

107

~~(c) a creditor with a prior perfected security interest in the whole to the extent that he makes subsequent advances if the subsequent purchase is made, the lien by judicial proceedings obtained or the subsequent advance under the prior perfected security interest is made or contracted for without knowledge of the security interest and before it is perfected. A purchaser of the whole at a foreclosure sale other than the holder of a perfected security interest purchasing at his own foreclosure sale is a subsequent purchaser within this Section.~~

~~(4) When under subsections (1) or (2) and (3) a secured party has an interest in accessions which has priority over the claims of all persons who have interests in the whole, he may on default subject to the provisions of Part 5 remove his collateral from the whole but he must reimburse any encumbrancer or owner of the whole who is not the debtor and who has not otherwise agreed for the cost of repair of any physical injury but not for any diminution in value of the whole caused by the absence of the goods removed or by any necessity for replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate security for the performance of this obligation.~~

~~(Source: Laws 1961, p. 2101.)~~

~~(810 ILCS 5/9-315) (from Ch. 26, par. 9-315)~~

~~Sec. 9-315. Secured party's rights on disposition of collateral and in proceeds.~~

~~(a) Disposition of collateral: continuation of security interest or agricultural lien; proceeds. Except as otherwise provided in this Article and in Section 2-403(2):~~

~~(1) a security interest or agricultural lien continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien; and~~

~~(2) a security interest attaches to any identifiable proceeds of collateral.~~

~~(b) When commingled proceeds identifiable. Proceeds that are commingled with other property are identifiable proceeds:~~

~~(1) if the proceeds are goods, to the extent provided by Section 9-336; and~~

~~(2) if the proceeds are not goods, to the extent that the~~

secured party identifies the proceeds by a method of tracing, including application of equitable principles, that is permitted under law other than this Article with respect to commingled property of the type involved.

(c) Perfection of security interest in proceeds. A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

(d) Continuation of perfection. A perfected security interest in proceeds becomes unperfected on the 21st day after the security interest attaches to the proceeds unless:

(1) the following conditions are satisfied:

(A) a filed financing statement covers the original collateral;

(B) the proceeds are collateral in which a security interest may be perfected by filing in the office in which the financing statement has been filed; and

(C) the proceeds are not acquired with cash proceeds;

(2) the proceeds are identifiable cash proceeds; or

(3) the security interest in the proceeds is perfected other than under subsection (c) when the security interest attaches to the proceeds or within 20 days thereafter.

[Feb. 24, 2000]

108

(e) When perfected security interest in proceeds becomes unperfected. If a filed financing statement covers the original collateral, a security interest in proceeds which remains perfected under subsection (d)(1) becomes unperfected at the later of:

(1) when the effectiveness of the filed financing statement lapses under Section 9-515 or is terminated under Section 9-513; or

(2) the 21st day after the security interest attaches to the proceeds. Priority when goods are commingled or processed.

~~(1) If a security interest in goods was perfected and subsequently the goods or a part thereof have become part of a product or mass, the security interest continues in the product or mass if~~

~~(a) the goods are so manufactured, processed, assembled or commingled that their identity is lost in the product or mass; or~~

~~(b) a financing statement covering the original goods also covers the product into which the goods have been manufactured, processed or assembled. In a case to which paragraph (b) applies, no separate security interest in that part of the original goods which has been manufactured, processed or assembled into the product may be claimed under Section 9-314.~~

~~(2) When under subsection (1) more than one security interest attaches to the product or mass, they rank equally according to the ratio that the cost of the goods to which each interest originally attached bears to the cost of the total product or mass.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-315.01 new)

Sec. 9-315.01. Debtor disposing of collateral and failing to pay secured party amount due under security agreement; penalties for violation.

(1) It is unlawful for a debtor under the terms of a security agreement (a) who has no right of sale or other disposition of the collateral or (b) who has a right of sale or other disposition of the collateral and is to account to the secured party for the proceeds of any sale or other disposition of the collateral, to sell or otherwise dispose of the collateral and willfully and wrongfully to fail to pay the secured party the amount of said proceeds due under the security agreement. Failure to pay such proceeds to the secured party within 10 days after the sale or other disposition of the collateral is prima facie evidence of a willful and wanton failure to pay.

(2) An individual convicted of a violation of this Section shall be guilty of a Class 3 felony.

(3) A corporation convicted of a violation of this Section shall be guilty of a business offense and shall be fined not less than \$2,000 nor more than \$10,000.

(4) In the event the debtor under the terms of a security agreement is a corporation or a partnership, any officer, director, manager, or managerial agent of the debtor who violates this Section or causes the debtor to violate this Section shall be guilty of a Class 3 felony.

(810 ILCS 5/9-315.02 new)

Sec. 315.02. Disposal of collateral by debtor to persons other than those previously disclosed to secured party-penalties for violation-defense.

(1) Where, pursuant to Section 9-205.1, a secured party has required that before the debtor sells or otherwise disposes of collateral in the debtor's possession he disclose to the secured party the persons to whom he desires to sell or otherwise dispose of such collateral, it is unlawful for the debtor to sell or otherwise dispose of the collateral to a person other than a person so

[Feb. 24, 2000]

disclosed to the secured party.

(2) An individual convicted of a violation of this Section shall be guilty of a Class A misdemeanor.

(3) A corporation convicted of a violation of this Section shall be guilty of a business offense and shall be fined not less than \$2,000 nor more than \$10,000.

(4) In the event the debtor under the terms of a security agreement is a corporation or a partnership, any officer, director, manager, or managerial agent of the debtor who violates this Section or causes the debtor to violate this Section shall be guilty of a Class A misdemeanor.

(5) It is an affirmative defense to a prosecution for the violation of this Section that the debtor has paid to the secured party the proceeds from the sale or other disposition of the collateral within 10 days after such sale or disposition.

(810 ILCS 5/9-316) (from Ch. 26, par. 9-316)

Sec. 9-316. Continued perfection of security interest following change in governing law.

(a) General rule: effect on perfection of change in governing law. A security interest perfected pursuant to the law of the jurisdiction designated in Section 9-301(1) or 9-305(c) remains

perfected until the earliest of:

(1) the time perfection would have ceased under the law of that jurisdiction;

(2) the expiration of four months after a change of the debtor's location to another jurisdiction; or

(3) the expiration of one year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.

(b) Security interest perfected or unperfected under law of new jurisdiction. If a security interest described in subsection (a) becomes perfected under the law of the other jurisdiction before the earliest time or event described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

(c) Possessory security interest in collateral moved to new jurisdiction. A possessory security interest in collateral, other than goods covered by a certificate of title and as-extracted collateral consisting of goods, remains continuously perfected if:

(1) the collateral is located in one jurisdiction and subject to a security interest perfected under the law of that jurisdiction;

(2) thereafter the collateral is brought into another jurisdiction; and

(3) upon entry into the other jurisdiction, the security interest is perfected under the law of the other jurisdiction.

(d) Goods covered by certificate of title from this State. Except as otherwise provided in subsection (e), a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this State remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

(e) When subsection (d) security interest becomes unperfected against purchasers. A security interest described in subsection (d) becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under

[Feb. 24, 2000]

Section 9-311(b) or 9-313 are not satisfied before the earlier of:

(1) the time the security interest would have become unperfected under the law of the other jurisdiction had the goods not become covered by a certificate of title from this State; or

(2) the expiration of four months after the goods had become so covered.

(f) Change in jurisdiction of bank, issuer, nominated person, securities intermediary, or commodity intermediary. A security interest in deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity

intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(1) the time the security interest would have become unperfected under the law of that jurisdiction; or

(2) the expiration of four months after a change of the applicable jurisdiction to another jurisdiction.

(g) Subsection (f) security interest perfected or unperfected under law of new jurisdiction. If a security interest described in subsection (f) becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

~~Priority subject to subordination.~~

~~Nothing in this Article prevents subordination by agreement by any person entitled to priority.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/Art. 9, Part 3, Subpart 3 heading new)

SUBPART 3. PRIORITY

(810 ILCS 5/9-317) (from Ch. 26, par. 9-317)

Sec. 9-317. Interests that take priority over or take free of security interest or agricultural lien.

(a) Conflicting security interests and rights of lien creditors. A security interest or agricultural lien is subordinate to the rights of:

(1) a person entitled to priority under Section 9-322; and

(2) except as otherwise provided in subsection (e) or (f), a person that becomes a lien creditor before the earlier of the time:

(A) the security interest or agricultural lien is perfected; or

(B) one of the conditions specified in Section 9-203(b)(3) is met and a financing statement covering the collateral is filed.

(b) Buyers that receive delivery. Except as otherwise provided in subsection (e), a buyer, other than a secured party, of tangible chattel paper, documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) Lessees that receive delivery. Except as otherwise provided in subsection (e), a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

[Feb. 24, 2000]

(d) Licensees and buyers of certain collateral. A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, general intangibles, or

investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(e) Purchase-money security interest. Except as otherwise provided in Sections 9-320 and 9-321, if a person files a financing statement with respect to a purchase-money security interest before or within 20 days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

(f) Public deposits. An unperfected security interest shall take priority over the rights of a lien creditor if (i) the lien creditor is a trustee or receiver of a bank or acting in furtherance of its supervisory authority over such bank and (ii) a security interest is granted by the bank to secure a deposit of public funds with the bank or a repurchase agreement with the bank pursuant to the Government Securities Act of 1986, as amended. Secured party not obligated on contract of debtor.

~~The mere existence of a security interest or authority given to the debtor to dispose of or use collateral does not impose contract or tort liability upon the secured party for the debtor's acts or omissions.~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-318) (from Ch. 26, par. 9-318)

Sec. 9-318. No interest retained in right to payment that is sold; rights and title of seller of account or chattel paper with respect to creditors and purchasers.

(a) Seller retains no interest. A debtor that has sold an account, chattel paper, payment intangible, or promissory note does not retain a legal or equitable interest in the collateral sold.

(b) Deemed rights of debtor if buyer's security interest unperfected. For purposes of determining the rights of creditors of, and purchasers for value of an account or chattel paper from, a debtor that has sold an account or chattel paper, while the buyer's security interest is unperfected, the debtor is deemed to have rights and title to the account or chattel paper identical to those the debtor sold. Defenses Against Assignee; Modification of Contract After Notification of Assignment; Term Prohibiting Assignment Ineffective; Identification and Proof of Assignment.

~~(1) Unless an account debtor has made an enforceable agreement not to assert defenses or claims arising out of a sale as provided in Section 9--206 the rights of an assignee are subject to~~

~~(a) all the terms of the contract between the account debtor and assignor and any defense or claim arising therefrom; and~~

~~(b) any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives notification of the assignment.~~

~~(2) So far as the right to payment or a part thereof under an assigned contract has not been fully earned by performance, and notwithstanding notification of the assignment, any modification of or substitution for the contract made in good faith and in accordance with reasonable commercial standards is effective against an assignee unless the account debtor has otherwise agreed but the assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that such modification or substitution is a breach by the assignor.~~

~~(3) The account debtor is authorized to pay the assignor until~~

~~the account debtor receives notification that the amount due or to become due has been assigned and that payment is to be made to the assignee. A notification which does not reasonably identify the rights assigned is ineffective. If requested by the account debtor, the assignee must seasonably furnish reasonable proof that the assignment has been made and unless he does so the account debtor may pay the assignor.~~

~~(4) A term in any contract between an account debtor and an assignor is ineffective if it prohibits assignment of an account or prohibits creation of a security interest in a general intangible for money due or to become due or requires the account debtor's consent to such assignment or security interest.~~

~~(Source: P. A. 77-2810.)~~

~~(810 ILCS 5/9-319 new)~~

Sec. 9-319. Rights and title of consignee with respect to creditors and purchasers.

(a) Consignee has consignor's rights. Except as otherwise provided in subsection (b), for purposes of determining the rights of creditors of, and purchasers for value of goods from, a consignee, while the goods are in the possession of the consignee, the consignee is deemed to have rights and title to the goods identical to those the consignor had or had power to transfer.

(b) Applicability of other law. For purposes of determining the rights of a creditor of a consignee, law other than this Article determines the rights and title of a consignee while goods are in the consignee's possession if, under this Part, a perfected security interest held by the consignor would have priority over the rights of the creditor.

~~(810 ILCS 5/9-320 new)~~

Sec. 9-320. Buyer of goods and farm products.

(a) Buyer in ordinary course of business. Except as otherwise provided in subsections (e) and (f), a buyer in the ordinary course of business takes free of a security interest created by the buyer's seller, even if the security interest is perfected and the buyer knows of its existence.

(b) Buyer of consumer goods. Except as otherwise provided in subsection (e), a buyer of goods from a person who used or bought the goods for use primarily for personal, family, or household purposes takes free of a security interest, even if perfected, if the buyer buys:

- (1) without knowledge of the security interest;
- (2) for value;
- (3) primarily for the buyer's personal, family, or household purposes; and
- (4) before the filing of a financing statement covering the goods.

(c) Effectiveness of filing for subsection (b). To the extent that it affects the priority of a security interest over a buyer of goods under subsection (b), the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by Section 9-316(a) and (b).

(d) Buyer in ordinary course of business at wellhead or minehead. A buyer in ordinary course of business buying oil, gas, or other minerals at the wellhead or minehead or after extraction takes free of an interest arising out of an encumbrance.

(e) Possessory security interest not affected. Subsections (a) and (b) do not affect a security interest in goods in the possession of the secured party under Section 9-313.

(f) Buyer of farm products.

(1) A buyer of farm products takes subject to a security

[Feb. 24, 2000]

113

interest created by the seller if:

(A) within one year before the sale of the farm products, the buyer has received from the secured party or the seller written notice of the security interest in a record organized according to farm products that:

(i) in an original or reproduced copy thereof;

(ii) contains: (a) the name and address of the secured party; (b) the name and address of the person indebted to the secured party; (c) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor; (d) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable, crop year, county, and a reasonable description of the property;

(iii) must be amended in writing, within 3 months, similarly signed and transmitted, to reflect material changes;

(iv) will lapse on either the expiration period of the statement or the transmission of a notice signed by the secured party that the statement has lapsed, whichever occurs first; and

(v) sets forth any payment obligations imposed on the buyer by the secured party as conditions for waiver or release of the security interest; and

(B) the buyer has failed to perform the payment obligations.

(2) For the purposes of this subsection (f), a buyer of farm products has received notice from the secured party or seller when written notice of the security interest is sent to the buyer by registered or certified mail.

(810 ILCS 5/9-320.1 new)

Sec. 9-320.1. Liability of commission merchant or selling agent engaged in sale of livestock or other farm products to holder of security interest.

(a) A commission merchant or selling agent who sells a farm product for others shall be subject to a security interest created by the seller in such farm product if:

(1) within one year before the sale of the farm products, the buyer has received from the secured party or the seller

written notice of the security interest in a record that:

(A) is an original or reproduced copy thereof;

(B) contains: (i) the name and address of the secured party; (ii) the name and address of the person indebted to the secured party; (iii) the social security number of the debtor or, in case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor; (iv) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable, crop year, county, and a reasonable description of the property;

(C) must be amended in writing, within 3 months, similarly signed and transmitted, to reflect material changes;

(D) will lapse on either the expiration period of the statement or the transmission of a notice signed by the secured party that the statement has lapsed, whichever

[Feb. 24, 2000]

114

occurs first; and

(E) sets forth any payment obligations imposed on the buyer by the secured party as conditions for waiver or release of the security interest; and

(2) the commission merchant or selling agent has failed to perform the payment obligations.

(b) For the purposes of this Section, a commission merchant or selling agent has received notice from the secured party or seller when written notice of the security interest is sent to the commission merchant or selling agent by registered or certified mail.

(810 ILCS 5/9-320.2 new)

Sec. 9-320.2 Notice to seller of farm products. A commission merchant or selling agent who sells farm products for others, and any person buying farm products in the ordinary course of business from a person engaged in farming operations, shall post at each licensed location where the merchant, agent, or person buying farm products in the ordinary course of business does business a notice that shall read as follows:

"NOTICE TO SELLERS OF FARM PRODUCTS

It is a criminal offense to sell farm products subject to a security interest without making payment to the secured party. You should notify the purchaser if there is a security interest in the farm products you are selling.".

The notice shall be posted in a conspicuous manner and shall be in contrasting type, large enough to be read from a distance of 10 feet.

(810 ILCS 5/9-321 new)

Sec. 9-321. Licensee of general intangible and lessee of goods in ordinary course of business.

(a) "Licensee in ordinary course of business." In this Section, "licensee in ordinary course of business" means a person that becomes a licensee of a general intangible in good faith, without knowledge that the license violates the rights of another person in the general

intangible, and in the ordinary course from a person in the business of licensing general intangibles of that kind. A person becomes a licensee in the ordinary course if the license to the person comports with the usual or customary practices in the kind of business in which the licensor is engaged or with the licensor's own usual or customary practices.

(b) Rights of licensee in ordinary course of business. A licensee in ordinary course of business takes its rights under a nonexclusive license free of a security interest in the general intangible created by the licensor, even if the security interest is perfected and the licensee knows of its existence.

(c) Rights of lessee in ordinary course of business. A lessee in ordinary course of business takes its leasehold interest free of a security interest in the goods created by the lessor, even if the security interest is perfected and the lessee knows of its existence.

(810 ILCS 5/9-322 new)

Sec. 9-322. Priorities among conflicting security interests in and agricultural liens on same collateral.

(a) General priority rules. Except as otherwise provided in this Section, priority among conflicting security interests and agricultural liens in the same collateral is determined according to the following rules:

(1) Conflicting perfected security interests and agricultural liens rank according to priority in time of filing or perfection. Priority dates from the earlier of the time a filing covering the collateral is first made or the security interest or agricultural lien is first perfected, if there is no

[Feb. 24, 2000]

115

period thereafter when there is neither filing nor perfection.

(2) A perfected security interest or agricultural lien has priority over a conflicting unperfected security interest or agricultural lien.

(3) The first security interest or agricultural lien to attach or become effective has priority if conflicting security interests and agricultural liens are unperfected.

(b) Time of perfection: proceeds and supporting obligations. For the purposes of subsection (a)(1):

(1) the time of filing or perfection as to a security interest in collateral is also the time of filing or perfection as to a security interest in proceeds; and

(2) the time of filing or perfection as to a security interest in collateral supported by a supporting obligation is also the time of filing or perfection as to a security interest in the supporting obligation.

(c) Special priority rules: proceeds and supporting obligations. Except as otherwise provided in subsection (f), a security interest in collateral which qualifies for priority over a conflicting security interest under Section 9-327, 9-328, 9-329, 9-330, or 9-331 also has priority over a conflicting security interest in:

(1) any supporting obligation for the collateral; and

(2) proceeds of the collateral if:

(A) the security interest in proceeds is perfected;
(B) the proceeds are cash proceeds or of the same type as the collateral; and
(C) in the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds of the same type as the collateral, or an account relating to the collateral.
(d) First-to-file priority rule for certain collateral. Subject to subsection (e) and except as otherwise provided in subsection (f), if a security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.
(e) Applicability of subsection (d). Subsection (d) applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.
(f) Limitations on subsections (a) through (e). Subsections (a) through (e) are subject to:
(1) subsection (g) and the other provisions of this Part;
(2) Section 4-210 with respect to a security interest of a collecting bank;
(3) Section 5-118 with respect to a security interest of an issuer or nominated person; and
(4) Section 9-110 with respect to a security interest arising under Article 2 or 2A.
(g) Priority under agricultural lien statute. A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides.
(810 ILCS 5/9-323 new)
Sec. 9-323. Future advances.
(a) When priority based on time of advance. Except as otherwise provided in subsection (c), for purposes of determining the priority of a perfected security interest under Section 9-322(a)(1),

[Feb. 24, 2000]

perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

(1) is made while the security interest is perfected only:
(A) under Section 9-309 when it attaches; or
(B) temporarily under Section 9-312(e), (f), or (g);
and
(2) is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under Section 9-309 or 9-312(e), (f), or (g).
(b) Lien creditor. Except as otherwise provided in subsection (c), a security interest is subordinate to the rights of a person that becomes a lien creditor to the extent that the security interest secures an advance made more than 45 days after the person becomes a lien creditor unless the advance is made:

- (1) without knowledge of the lien; or
 - (2) pursuant to a commitment entered into without knowledge of the lien.
- (c) Buyer of receivables. Subsections (a) and (b) do not apply to a security interest held by a secured party that is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor.
- (d) Buyer of goods. Except as otherwise provided in subsection (e), a buyer of goods other than a buyer in ordinary course of business takes free of a security interest to the extent that it secures advances made after the earlier of:
 - (1) the time the secured party acquires knowledge of the buyer's purchase; or
 - (2) 45 days after the purchase.
- (e) Advances made pursuant to commitment: priority of buyer of goods. Subsection (d) does not apply if the advance is made pursuant to a commitment entered into without knowledge of the buyer's purchase and before the expiration of the 45-day period.
- (f) Lessee of goods. Except as otherwise provided in subsection (g), a lessee of goods, other than a lessee in ordinary course of business, takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:
 - (1) the time the secured party acquires knowledge of the lease; or
 - (2) 45 days after the lease contract becomes enforceable.
- (g) Advances made pursuant to commitment: priority of lessee of goods. Subsection (f) does not apply if the advance is made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the 45-day period.

(810 ILCS 5/9-324 new)

Sec. 9-324. Priority of purchase-money security interests.

- (a) General rule: purchase-money priority. Except as otherwise provided in subsection (g), a perfected purchase-money security interest in goods other than inventory or livestock has priority over a conflicting security interest in the same goods, and, except as otherwise provided in Section 9-327, a perfected security interest in its identifiable proceeds also has priority, if the purchase-money security interest is perfected when the debtor receives possession of the collateral or within 20 days thereafter.
- (b) Inventory purchase-money priority. Subject to subsection (c) and except as otherwise provided in subsection (g), a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of the inventory and in proceeds of

[Feb. 24, 2000]

the chattel paper, if so provided in Section 9-330, and, except as otherwise provided in Section 9-327, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are received on or before the delivery of the inventory to a buyer, if:

- (1) the purchase-money security interest is perfected when

the debtor receives possession of the inventory;

(2) the purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;

(3) the holder of the conflicting security interest receives the notification within five years before the debtor receives possession of the inventory; and

(4) the notification states that the person sending the notification has or expects to acquire a purchase-money security interest in inventory of the debtor and describes the inventory.

(c) Holders of conflicting inventory security interests to be notified. Subsections (b)(2) through (4) apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of inventory:

(1) if the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) if the purchase-money security interest is temporarily perfected without filing or possession under Section 9-312(f), before the beginning of the 20-day period thereunder.

(d) Livestock purchase-money priority. Subject to subsection (e) and except as otherwise provided in subsection (g), a perfected purchase-money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in Section 9-327, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

(1) the purchase-money security interest is perfected when the debtor receives possession of the livestock;

(2) the purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;

(3) the holder of the conflicting security interest receives the notification within six months before the debtor receives possession of the livestock; and

(4) the notification states that the person sending the notification has or expects to acquire a purchase-money security interest in livestock of the debtor and describes the livestock.

(e) Holders of conflicting livestock security interests to be notified. Subsections (d)(2) through (4) apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of livestock:

(1) if the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) if the purchase-money security interest is temporarily perfected without filing or possession under Section 9-312(f), before the beginning of the 20-day period thereunder.

(f) Software purchase-money priority. Except as otherwise provided in subsection (g), a perfected purchase-money security interest in software has priority over a conflicting security interest in the same collateral, and, except as otherwise provided in Section 9-327, a perfected security interest in its identifiable proceeds also has priority, to the extent that the purchase-money security interest in the goods in which the software was acquired for use has priority in the goods and proceeds of the goods under this Section.

(g) Conflicting purchase-money security interests. If more than one security interest qualifies for priority in the same collateral under subsection (a), (b), (d), or (f):

(1) a security interest securing an obligation incurred as all or part of the price of the collateral has priority over a security interest securing an obligation incurred for value given to enable the debtor to acquire rights in or the use of collateral; and

(2) in all other cases, Section 9-322(a) applies to the qualifying security interests.

(810 ILCS 5/9-325 new)

Sec. 9-325. Priority of security interests in transferred collateral.

(a) Subordination of security interest in transferred collateral. Except as otherwise provided in subsection (b), a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if:

(1) the debtor acquired the collateral subject to the security interest created by the other person;

(2) the security interest created by the other person was perfected when the debtor acquired the collateral; and

(3) there is no period thereafter when the security interest is unperfected.

(b) Limitation of subsection (a) subordination. Subsection (a) subordinates a security interest only if the security interest:

(1) otherwise would have priority solely under Section 9-322(a) or 9-324; or

(2) arose solely under Section 2-711(3) or 2A-508(5).

(810 ILCS 5/9-326 new)

Sec. 9-326. Priority of security interests created by new debtor.

(a) Subordination of security interest created by new debtor. Subject to subsection (b), a security interest created by a new debtor which is perfected by a filed financing statement that is effective solely under Section 9-508 in collateral in which a new debtor has or acquires rights is subordinate to a security interest in the same collateral which is perfected other than by a filed financing statement that is effective solely under Section 9-508.

(b) Priority under other provisions; multiple original debtors. The other provisions of this Part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements that are effective solely under Section 9-508. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

(810 ILCS 5/9-327 new)

Sec. 9-327. Priority of security interests in deposit account. The following rules govern priority among conflicting security interests in the same deposit account:

(1) A security interest held by a secured party having control of the deposit account under Section 9-104 has priority over a conflicting security interest held by a secured party that does not have control.

(2) Except as otherwise provided in paragraphs (3) and (4), security interests perfected by control under Section 9-314 rank according to priority in time of obtaining control.

(3) Except as otherwise provided in paragraph (4), a security interest held by the bank with which the deposit account is maintained has priority over a conflicting security interest held by

[Feb. 24, 2000]

another secured party.

(4) A security interest perfected by control under Section 9-104(a)(3) has priority over a security interest held by the bank with which the deposit account is maintained.

(810 ILCS 5/9-328 new)

Sec. 9-328. Priority of security interests in investment property. The following rules govern priority among conflicting security interests in the same investment property:

(1) A security interest held by a secured party having control of investment property under Section 9-106 has priority over a security interest held by a secured party that does not have control of the investment property.

(2) Except as otherwise provided in paragraphs (3) and (4), conflicting security interests held by secured parties each of which has control under Section 9-106 rank according to priority in time of:

(A) if the collateral is a security, obtaining control;

(B) if the collateral is a security entitlement carried in a securities account and:

(i) if the secured party obtained control under Section 8-106(d)(1), the secured party's becoming the person for which the securities account is maintained;

(ii) if the secured party obtained control under Section 8-106(d)(2), the securities intermediary's agreement to comply with the secured party's entitlement orders with respect to security entitlements carried or to be carried in the securities account; or

(iii) if the secured party obtained control through another person under Section 8-106(d)(3), the time on which priority would be based under this paragraph if the other person were the secured party; or

(C) if the collateral is a commodity contract carried with a commodity intermediary, the satisfaction of the requirement for control specified in Section 9-106(b)(2) with respect to commodity contracts carried or to be carried with the commodity intermediary.

(3) A security interest held by a securities intermediary in a security entitlement or a securities account maintained with the securities intermediary has priority over a conflicting security interest held by another secured party.

(4) A security interest held by a commodity intermediary in a commodity contract or a commodity account maintained with the commodity intermediary has priority over a conflicting security interest held by another secured party.

(5) A security interest in a certificated security in registered

form which is perfected by taking delivery under Section 9-313(a) and not by control under Section 9-314 has priority over a conflicting security interest perfected by a method other than control.

(6) Conflicting security interests created by a broker, securities intermediary, or commodity intermediary which are perfected without control under Section 9-106 rank equally.

(7) In all other cases, priority among conflicting security interests in investment property is governed by Sections 9-322 and 9-323.

(810 ILCS 5/9-329 new)

Sec. 9-329. Priority of security interests in letter-of-credit right. The following rules govern priority among conflicting security interests in the same letter-of-credit right:

(1) A security interest held by a secured party having control of the letter-of-credit right under Section 9-107 has

[Feb. 24, 2000]

120

priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

(2) Security interests perfected by control under Section 9-314 rank according to priority in time of obtaining control.

(810 ILCS 5/9-330 new)

Sec. 9-330. Priority of purchaser of chattel paper or instrument.

(a) Purchaser's priority: security interest claimed merely as proceeds. A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

(1) in good faith and in the ordinary course of the purchaser's business, the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under Section 9-105; and

(2) the chattel paper does not indicate that it has been assigned to an identified assignee other than the purchaser.

(b) Purchaser's priority: other security interests. A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under Section 9-105 in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

(c) Chattel paper purchaser's priority in proceeds. Except as otherwise provided in Section 9-327, a purchaser having priority in chattel paper under subsection (a) or (b) also has priority in proceeds of the chattel paper to the extent that:

(1) Section 9-322 provides for priority in the proceeds; or

(2) the proceeds consist of the specific goods covered by the chattel paper or cash proceeds of the specific goods, even if the purchaser's security interest in the proceeds is unperfected.

(d) Instrument purchaser's priority. Except as otherwise provided in Section 9-331(a), a purchaser of an instrument has priority over a security interest in the instrument perfected by a

method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

(e) Holder of purchase-money security interest gives new value. For purposes of subsections (a) and (b), the holder of a purchase-money security interest in inventory gives new value for chattel paper constituting proceeds of the inventory.

(f) Indication of assignment gives knowledge. For purposes of subsections (b) and (d), if chattel paper or an instrument indicates that it has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

(810 ILCS 5/9-331 new)

Sec. 9-331. Priority of rights of purchasers of instruments, documents, and securities under other Articles; priority of interests in financial assets and security entitlements under Article 8.

(a) Rights under Articles 3, 7, and 8 not limited. This Article does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Articles 3, 7, and 8.

(b) Protection under Article 8. This Article does not limit the

[Feb. 24, 2000]

rights of or impose liability on a person to the extent that the person is protected against the assertion of a claim under Article 8.

(c) Filing not notice. Filing under this Article does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections (a) and (b).

(810 ILCS 5/9-332 new)

Sec. 9-332. Transfer of money; transfer of funds from deposit account.

(a) Transferee of money. A transferee of money takes the money free of a security interest unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

(b) Transferee of funds from deposit account. A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

(810 ILCS 5/9-333 new)

Sec. 9-333. Priority of certain liens arising by operation of law.

(a) "Possessory lien." In this Section, "possessory lien" means an interest, other than a security interest or an agricultural lien:

(1) which secures payment or performance of an obligation for services or materials furnished with respect to goods by a person in the ordinary course of the person's business;

(2) which is created by statute or rule of law in favor of the person; and

(3) whose effectiveness depends on the person's possession

of the goods.

(b) Priority of possessory lien. A possessory lien on goods has priority over a security interest in the goods unless the lien is created by a statute that expressly provides otherwise.

(810 ILCS 5/9-334 new)

Sec. 9-334. Priority of security interests in fixtures and crops.

(a) Security interest in fixtures under this Article. A security interest under this Article may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this Article in ordinary building materials incorporated into an improvement on land.

(b) Security interest in fixtures under real-property law. This Article does not prevent creation of an encumbrance upon fixtures under real property law.

(c) General rule: subordination of security interest in fixtures. In cases not governed by subsections (d) through (h), a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

(d) Fixtures purchase-money priority. Except as otherwise provided in subsection (h), a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property and:

(1) the security interest is a purchase-money security interest;

(2) the interest of the encumbrancer or owner arises before the goods become fixtures; and

(3) the security interest is perfected by a fixture filing before the goods become fixtures or within 20 days thereafter.

(e) Priority of security interest in fixtures over interests in real property. A perfected security interest in fixtures has

[Feb. 24, 2000]

priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(A) is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and

(B) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

(2) before the goods become fixtures, the security interest is perfected by any method permitted by this Article and the fixtures are readily removable:

(A) factory or office machines;

(B) equipment that is not primarily used or leased for use in the operation of the real property; or

(C) replacements of domestic appliances that are consumer goods;

(3) the conflicting interest is a lien on the real property

obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article; or

(4) the security interest is:

(A) created in a manufactured home in a manufactured-home transaction; and

(B) perfected pursuant to a statute described in Section 9-311(a)(2).

(f) Priority based on consent, disclaimer, or right to remove. A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the encumbrancer or owner has, in an authenticated record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

(2) the debtor has a right to remove the goods as against the encumbrancer or owner.

(g) Continuation of subsection (f)(2) priority. The priority of the security interest under subsection (f)(2) continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

(h) Priority of construction mortgage. A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in subsections (e) and (f), a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

(i) Priority of security interest in crops.

(1) Subject to Section 9-322(g), a perfected security interest in crops growing on real property has priority over:

(A) a conflicting interest of an encumbrancer or owner of the real property; and

(B) the rights of a holder of an obligation secured by a collateral assignment of beneficial interest in a land trust, including rights by virtue of an equitable lien.

(2) For purposes of this subsection:

(A) "Collateral assignment of beneficial interest"

[Feb. 24, 2000]

means any pledge or assignment of the beneficial interest in a land trust to a person to secure a debt to other obligation.

(B) "Land trust" means any trust arrangement under which the legal and equitable title to real estate is held by a trustee, the interest of the beneficiary of the trust is personal property, and the beneficiary or any person designated in writing by the beneficiary has (i) the exclusive power to direct or control the trustee in dealing

with the title to the trust property, (ii) the exclusive control of the management, operation, renting, and selling of the trust property, and (iii) the exclusive right to the earnings, avails, and proceeds of trust property.

(810 ILCS 5/9-335 new)

Sec. 9-335. Accessions.

(a) Creation of security interest in accession. A security interest may be created in an accession and continues in collateral that becomes an accession.

(b) Perfection of security interest. If a security interest is perfected when the collateral becomes an accession, the security interest remains perfected in the collateral.

(c) Priority of security interest. Except as otherwise provided in subsection (d), the other provisions of this Part determine the priority of a security interest in an accession.

(d) Compliance with certificate-of-title statute. A security interest in an accession is subordinate to a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under Section 9-311(b).

(e) Removal of accession after default. After default, subject to Part 6, a secured party may remove an accession from other goods if the security interest in the accession has priority over the claims of every person having an interest in the whole.

(f) Reimbursement following removal. A secured party that removes an accession from other goods under subsection (e) shall promptly reimburse any holder of a security interest or other lien on, or owner of, the whole or of the other goods, other than the debtor, for the cost of repair of any physical injury to the whole or the other goods. The secured party need not reimburse the holder or owner for any diminution in value of the whole or the other goods caused by the absence of the accession removed or by any necessity for replacing it. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

(810 ILCS 5/9-336 new)

Sec. 9-336. Commingled goods.

(a) "Commingled goods." In this Section, "commingled goods" means goods that are physically united with other goods in such a manner that their identity is lost in a product or mass.

(b) No security interest in commingled goods as such. A security interest does not exist in commingled goods as such. However, a security interest may attach to a product or mass that results when goods become commingled goods.

(c) Attachment of security interest to product or mass. If collateral becomes commingled goods, a security interest attaches to the product or mass.

(d) Perfection of security interest. If a security interest in collateral is perfected before the collateral becomes commingled goods, the security interest that attaches to the product or mass under subsection (c) is perfected.

(e) Priority of security interest. Except as otherwise provided

[Feb. 24, 2000]

in subsection (f), the other provisions of this Part determine the priority of a security interest that attaches to the product or mass under subsection (c).

(f) Conflicting security interests in product or mass If more than one security interest attaches to the product or mass under subsection (c), the following rules determine priority:

(1) A security interest that is perfected under subsection (d) has priority over a security interest that is unperfected at the time the collateral becomes commingled goods.

(2) If more than one security interest is perfected under subsection (d), the security interests rank equally in proportion to the value of the collateral at the time it became commingled goods.

(810 ILCS 5/9-337 new)

Sec. 9-337. Priority of security interests in goods covered by certificate of title. If, while a security interest in goods is perfected by any method under the law of another jurisdiction, this State issues a certificate of title that does not show that the goods are subject to the security interest or contain a statement that they may be subject to security interests not shown on the certificate:

(1) a buyer of the goods, other than a person in the business of selling goods of that kind, takes free of the security interest if the buyer gives value and receives delivery of the goods after issuance of the certificate and without knowledge of the security interest; and

(2) the security interest is subordinate to a conflicting security interest in the goods that attaches, and is perfected under Section 9-311(b), after issuance of the certificate and without the conflicting secured party's knowledge of the security interest.

(810 ILCS 5/9-338 new)

Sec. 9-338. Priority of security interest or agricultural lien perfected by filed financing statement providing certain incorrect information. If a security interest or agricultural lien is perfected by a filed financing statement providing information described in Section 9-516(b)(5) which is incorrect at the time the financing statement is filed:

(1) the security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

(2) a purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of chattel paper, documents, goods, instruments, or a security certificate, receives delivery of the collateral.

(810 ILCS 5/9-339 new)

Sec. 9-339. Priority subject to subordination. This Article does not preclude subordination by agreement by a person entitled to priority.

(810 ILCS 5/Art. 9, Part 3, Subpart 4 heading new)

SUBPART 4. RIGHTS OF BANK

(810 ILCS 5/9-340 new)

Sec. 9-340. Effectiveness of right of recoupment or set-off against deposit account.

(a) Exercise of recoupment or set-off. Except as otherwise provided in subsection (c), a bank with which a deposit account is maintained may exercise any right of recoupment or set-off against a

[Feb. 24, 2000]

125

secured party that holds a security interest in the deposit account.

(b) Recoupment or set-off not affected by security interest. Except as otherwise provided in subsection (c), the application of this Article to a security interest in a deposit account does not affect a right of recoupment or set-off of the secured party as to a deposit account maintained with the secured party.

(c) When set-off ineffective. The exercise by a bank of a set-off against a deposit account is ineffective against a secured party that holds a security interest in the deposit account which is perfected by control under Section 9-104(a)(3), if the set-off is based on a claim against the debtor.

(810 ILCS 5/9-341 new)

Sec. 9-341. Bank's rights and duties with respect to deposit account. Except as otherwise provided in Section 9-340(c), and unless the bank otherwise agrees in an authenticated record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

(1) the creation, attachment, or perfection of a security interest in the deposit account;

(2) the bank's knowledge of the security interest; or

(3) the bank's receipt of instructions from the secured party.

(810 ILCS 5/9-342 new)

Sec. 9-342. Bank's right to refuse to enter into or disclose existence of control agreement. This Article does not require a bank to enter into an agreement of the kind described in Section 9-104(a)(2), even if its customer so requests or directs. A bank that has entered into such an agreement is not required to confirm the existence of the agreement to another person unless requested to do so by its customer.

(810 ILCS 5/Art. 9, Part 4 heading)

PART 4. RIGHTS OF THIRD PARTIES FILING

(810 ILCS 5/9-401) (from Ch. 26, par. 9-401)

Sec. 9-401. Alienability of debtor's rights.

(a) Other law governs alienability; exceptions. Except as otherwise provided in subsection (b) and Sections 9-406, 9-407, 9-408, and 9-409, whether a debtor's rights in collateral may be voluntarily or involuntarily transferred is governed by law other than this Article.

(b) Agreement does not prevent transfer. An agreement between the debtor and secured party which prohibits a transfer of the debtor's rights in collateral or makes the transfer a default does not prevent the transfer from taking effect. ~~Place of Filing; Erroneous Filing; Removal of Collateral.~~

(1) ~~The proper place to file in order to perfect a security interest is as follows:~~

(a) ~~when the collateral is consumer goods, then in the office of the recorder in the county of the debtor's residence or~~

~~if the debtor is not a resident of this State then in the office of the Recorder of Deeds in the county where the goods are kept;~~

~~(b) when the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of Section 9-103, or when the financing statement is filed as a fixture filing (Section 9-313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded;~~

~~(c) in all other cases, in the office of the Secretary of State.~~

~~(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless~~

[Feb. 24, 2000]

126

~~effective with regard to any collateral as to which the filing complied with the requirements of this Article and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.~~

~~(3) A filing which is made in the proper place in this State continues effective even though the debtor's residence or place of business or the location of the collateral or its use, whichever controlled the original filing, is thereafter changed.~~

~~(4) The rules stated in Section 9-103 determine whether filing is necessary in this State.~~

~~(5) Notwithstanding the preceding subsections, and subject to subsection (3) of Section 9-302, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the Secretary of State. This filing constitutes a fixture filing (Section 9-313) as to the collateral described therein which is or is to become fixtures.~~

~~(6) For the purposes of this Section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.~~

~~(Source: P.A. 90-300, eff. 1-1-98.)~~

~~(810 ILCS 5/9-401A)~~

~~Sec. 9-401A. (Blank). Continuation of certain financing statements filed before January 1, 1998. The following rules apply to a financing statement or continuation statement that was properly filed before January 1, 1998 in the office of a county recorder, but which, if filed on or after January 1, 1998, is required by Section 9-401 to be filed in the office of the Secretary of State:~~

~~(1) The financing statement shall remain effective until it lapses as provided in Section 9-403.~~

~~(2) The effectiveness of the financing statement may be continued only by filing a continuation statement in the office of the Secretary of State that provides the name and address of the debtor and secured party, indicates the county where the financing statement is filed, complies with the requirements of Section 9-403, and either:~~

~~(A) indicates the types or describes the items of collateral included in the original financing statement as modified by any releases or amendments; or~~

~~(B) has attached a copy of the originally filed financing statement together with amendments, assignments, and releases affecting it.~~

~~A continuation statement filed as provided in this item (2) may be further continued by a continuation statement that complies with the requirements of Section 9-403.~~

~~(3) The financing statement may be terminated, assigned, released, or amended only by an appropriate filing in the office of the county recorder where it is filed, except that if the financing statement has been continued as provided in item (2) of this Section, it may thereafter be terminated, assigned, released, or amended only by an appropriate filing in the office of the Secretary of State.~~

~~(Source: P.A. 90-300, eff. 1-1-98.)~~

~~(810 ILCS 5/9-402) (from Ch. 26, par. 9-402)~~

~~Sec. 9-402. Secured party not obligated on contract of debtor or in tort. The existence of a security interest, agricultural lien, or authority given to a debtor to dispose of or use collateral, without more, does not subject a secured party to liability in contract or tort for the debtor's acts or omissions. Formal requisites of financing statement; amendments; mortgage as financing statement.~~

~~(1) A financing statement is sufficient if it gives the names of~~

[Feb. 24, 2000]

~~the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types, or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When a financing statement filed prior to January 1, 1996, covers crops growing or to be grown, the statement must also contain a legal description of the real estate concerned. If a financing statement covers crops growing or to be grown and includes a description of the real estate concerned, the description is sufficient if it includes the quarter section, section, township and range, and the name of a record owner if other than the debtor, of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of Section 9-103, or when the financing statement is filed as a fixture filing (Section 9-313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this State.~~

~~(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor if it is filed to perfect a security interest in~~

~~(a) collateral already subject to a security interest in another jurisdiction when it is brought into this State, or when~~

~~the debtor's location is changed to this State. Such a financing statement must state that the collateral was brought into this State or that the debtor's location was changed to this State under such circumstances; or~~

~~(b) proceeds under Section 9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or~~

~~(c) collateral as to which the filing has lapsed; or~~

~~(d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)).~~

~~(3) A form substantially as follows is sufficient to comply with subsection (1):~~

~~Name of debtor (or assignor)~~

~~Address~~

~~Name of secured party (or assignee)~~

~~Address~~

~~1. This financing statement covers the following types (or items) of property:~~

~~(Describe)~~

~~2. (Blank).~~

~~3. (If applicable) The above goods are to become fixtures on *~~

~~*Where appropriate substitute either "The above timber is standing on" or "The above minerals or the like (including oil and gas) or accounts will be financed at the wellhead or minhead of the well or mine located on"~~

~~(Describe Real Estate)~~

~~and this financing statement is to be filed in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is~~

[Feb. 24, 2000]

~~4. (If products of collateral are claimed) Products of the collateral are also covered.~~

~~Signature of Debtor (or Assignor)~~

~~Signature of Secured Party (or Assignee)~~

~~(use whichever is applicable)~~

~~(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this Article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.~~

~~(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of Section 9-103, or a financing statement filed as a fixture filing (Section 9-313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be filed in the real estate records, and the financing statement must contain a description of the real estate. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner.~~

~~(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if~~

~~(a) the goods are described in the mortgage by item or type,~~

~~(b) the goods are or are to become fixtures related to the real estate described in the mortgage,~~

~~(c) the mortgage complies with the requirements for a financing statement in this Section other than a recital that it is to be filed in the real estate records, and~~

~~(d) the mortgage is duly recorded.~~

~~No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.~~

~~(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than 4 months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.~~

~~(8) A financing statement substantially complying with the requirements of this Section is effective even though it contains minor errors which are not seriously misleading.~~

~~(Source: P.A. 89-228, eff. 1-1-96; revised 10-31-98.)~~

~~(810 ILCS 5/9-403) (from Ch. 26, par. 9-403)~~

~~Sec. 9-403. Agreement not to assert defenses against assignee.~~

~~(a) "Value." In this Section, "value" has the meaning provided in Section 3-303(a).~~

~~(b) Agreement not to assert claim or defense. Except as otherwise provided in this Section, an agreement between an account debtor and an assignor not to assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:~~

~~(1) for value;~~

[Feb. 24, 2000]

~~(2) in good faith;~~

~~(3) without notice of a claim of a property or possessory right to the property assigned; and~~

~~(4) without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under Section 3-305(a).~~

~~(c) When subsection (b) not applicable. Subsection (b) does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under Section 3-305(b).~~

~~(d) Omission of required statement in consumer transaction. In a consumer transaction, if a record evidences the account debtor's obligation, law other than this Article requires that the record~~

include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include such a statement:

(1) the record has the same effect as if the record included such a statement; and

(2) the account debtor may assert against an assignee those claims and defenses that would have been available if the record included such a statement.

(e) Rule for individual under other law. This Section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(f) Other law not displaced. Except as otherwise provided in subsection (d), this Section does not displace law other than this Article which gives effect to an agreement by an account debtor not to assert a claim or defense against an assignee. What constitutes filing; duration of filing; effect of lapsed filing; duties of filing officer; fees.

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this Article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of 5 years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the 5 year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the 5 year period, whichever occurs later. Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within 6 months prior to the expiration of the 5 year period specified in subsection (2). Any such continuation statement must be signed by the secured party, identify the original statement by file number and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of Section 9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for 5 years after the last date to which the filing was effective whereupon it

[Feb. 24, 2000]

lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to

~~continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than 5 years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained.~~

~~(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statement according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.~~

~~(5) The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement, amended statement, or for a continuation statement shall be \$20.~~

~~(6) If the debtor is a transmitting utility (subsection (5) of Section 9-401 and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of Section 9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.~~

~~(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of Section 9-103, or is filed as a fixture filing, the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this State provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described.~~

~~(8) For financing statements filed on or after January 1, 1998 as to a debtor who is a resident of the State of Illinois, if the collateral is equipment used in farming operations, farm products, or accounts or general intangibles arising from the sale of farm products by a farmer, the secured party shall, within 30 days after filing with the office of the Secretary of State, remit to the office of the recorder in the county of the debtor's residence a fee of \$10 together with a copy of the financing statement filed in the office of the Secretary of State. This fee is in addition to payment of the fee provided in subsection (5) of this Section and is imposed to defray the cost of converting the county recorder's document storage system to computers or micrographics. The copy of the financing statement provided to the office of the recorder shall be for informational purposes only and shall not be for filing with the office of the recorder nor shall the provision of the informational copy be subject to imposition of any filing fee under Section 3-5018 of the Counties Code or otherwise. The provisions of this subsection~~

~~(8) other than this sentence, are inoperative after the earlier of (i) July 1, 1999 or (ii) the effective date of a change to the Illinois Uniform Commercial Code which adopts a recommendation by the National Conference of Commissioners on Uniform State Laws to amend Section 9-401 of this Code to make the office of the Secretary of State the proper place to file a financing statement described in this subsection (8).~~

~~(9) The failure to send an informational copy of a financing statement to the appropriate office of the recorder or to pay the fee as set forth in subsection (8) shall not in any manner affect the existence, validity, perfection, priority, or enforceability of the security interest of the secured party.~~

~~(Source: P.A. 89-503, eff. 1-1-97; 90-300, eff. 1-1-98; revised 10-31-98.)~~

~~(810 ILCS 5/9-404) (from Ch. 26, par. 9-404)~~

~~Sec. 9-404. Rights acquired by assignee; claims and defenses against assignee.~~

~~(a) Assignee's rights subject to terms, claims, and defenses; exceptions. Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to subsections (b) through (e), the rights of an assignee are subject to:~~

~~(1) all terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and~~

~~(2) any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives a notification of the assignment authenticated by the assignor or the assignee.~~

~~(b) Account debtor's claim reduces amount owed to assignee. Subject to subsection (c) and except as otherwise provided in subsection (d), the claim of an account debtor against an assignor may be asserted against an assignee under subsection (a) only to reduce the amount the account debtor owes.~~

~~(c) Rule for individual under other law. This Section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.~~

~~(d) Omission of required statement in consumer transaction. In a consumer transaction, if a record evidences the account debtor's obligation, law other than this Article requires that the record include a statement to the effect that the account debtor's recovery against an assignee with respect to claims and defenses against the assignor may not exceed amounts paid by the account debtor under the record, and the record does not include such a statement, the extent to which a claim of an account debtor against the assignor may be asserted against an assignee is determined as if the record included such a statement.~~

~~(e) Inapplicability to health-care-insurance receivable. This Section does not apply to an assignment of a health-care-insurance receivable. Termination Statement; Duties of Filing Officer.~~

~~(1) If a financing statement covering consumer goods is filed on or after the effective date of this amendatory Act of 1972, then within one month or within 10 days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. In~~

[Feb. 24, 2000]

132

~~other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of Section 9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within 10 days after proper demand therefor, he shall be liable to the debtor for \$100 and in addition for any loss caused to the debtor by such failure.~~

~~(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.~~

~~(Source: P.A. 89-503, eff. 1-1-97.)~~

~~(810 ILCS 5/9-405) (from Ch. 26, par. 9-405)~~

~~Sec. 9-405. Modification of assigned contract.~~

~~(a) Effect of modification on assignee. A modification of or substitution for an assigned contract is effective against an assignee if made in good faith. The assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that the modification or substitution is a breach of contract by the assignor. This subsection is subject to subsections (b) through (d).~~

~~(b) Applicability of subsection (a). Subsection (a) applies to the extent that:~~

~~(1) the right to payment or a part thereof under an assigned contract has not been fully earned by performance; or~~

~~(2) the right to payment or a part thereof has been fully~~

earned by performance and the account debtor has not received notification of the assignment under Section 9-406(a).

(c) Rule for individual under other law. This Section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(d) Inapplicability to health-care-insurance receivable. This Section does not apply to an assignment of a health-care-insurance receivable. Assignment of Security Interest; Duties of Filing Officer; Fees.

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in Section 9-403 (4). The uniform fee for filing, indexing and furnishing filing data for a financing statement

[Feb. 24, 2000]

133

so indicating an assignment shall be \$20.

(2) A secured party may assign of record all or a part of his rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. He shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of Section 9-103, he shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this State provides for indexing the assignment of a mortgage under the name of the assignee, he shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing and furnishing filing data about such a separate statement of assignment shall be \$20. Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of Section 9-402 may be made only by an assignment of the mortgage in the manner provided by the law of this State other than this Act.

(3) After the disclosure or filing of an assignment under this Section, the assignee is the secured party of record.

(Source: P.A. 89-503, eff. 1-1-97.)

(810 ILCS 5/9-406) (from Ch. 26, par. 9-406)

Sec. 9-406. Discharge of account debtor; notification of

assignment; identification and proof of assignment; restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective.

(a) Discharge of account debtor; effect of notification. Subject to subsections (b) through (i), an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

(b) When notification ineffective. Subject to subsection (h), notification is ineffective under subsection (a):

(1) if it does not reasonably identify the rights assigned;

(2) to the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this Article; or

(3) at the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

(A) only a portion of the account, chattel paper, or payment intangible has been assigned to that assignee;

(B) a portion has been assigned to another assignee;

[Feb. 24, 2000]

134

or

(C) the account debtor knows that the assignment to that assignee is limited.

(c) Proof of assignment. Subject to subsection (h), if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection (a).

(d) Term restricting assignment generally ineffective. Except as otherwise provided in subsection (e) and Sections 2A-303 and 9-407, and subject to subsection (h), a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(1) prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy

under the account, chattel paper, payment intangible, or promissory note.

(e) Inapplicability of subsection (d) to certain sales. Subsection (d) does not apply to the sale of a payment intangible or promissory note.

(f) Legal restrictions on assignment generally ineffective. Except as otherwise provided in Sections 2A-303 and 9-407 and subject to subsections (h) and (i), a rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

(1) prohibits, restricts, or requires the consent of the government, governmental body or official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in the account or chattel paper; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account or chattel paper.

(g) Subsection (b)(3) not waivable. Subject to subsection (h), an account debtor may not waive or vary its option under subsection (b)(3).

(h) Rule for individual under other law. This Section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(i) Inapplicability to health-care-insurance receivable. This Section does not apply to an assignment of a health-care-insurance receivable.

~~Release of Collateral; Duties of Filing Officer; Fees. A secured party of record may by his signed statement release all or a part of any collateral described in a filed financing statement. The~~

[Feb. 24, 2000]

~~statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, the name and address of the secured party, and the file number of the financing statement. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of Section 9-405, including payment of the required fee. Upon presentation of such a statement of release to the filing officer he shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. The uniform fee for filing and noting such a statement of release shall be \$20.~~

~~(Source: P.A. 89-503, eff. 1-1-97.)~~

~~(810 ILCS 5/9-407) (from Ch. 26, par. 9-407)~~

~~Sec. 9-407. Restrictions on creation or enforcement of security~~

interest in leasehold interest or in lessor's residual interest.

(a) Term restricting assignment generally ineffective. Except as otherwise provided in subsection (b), a term in a lease agreement is ineffective to the extent that it:

(1) prohibits, restricts, or requires the consent of a party to the lease to the assignment or transfer or the creation, attachment, perfection, or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the lease.

(b) Effectiveness of certain terms. Except as otherwise provided in Section 2A-303(7), a term described in subsection (a)(2) is effective to the extent that there is:

(1) a transfer by the lessee of the lessee's right of possession or use of the goods in violation of the term; or

(2) a delegation of a material performance of either party to the lease contract in violation of the term.

(c) Security interest not material impairment. The creation, attachment, perfection, or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of Section 2A-303(4) unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the lessor. Information from Filing Officer; Fees.

~~(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.~~

~~(2) Upon request of any person, the filing officer shall issue his certificate showing whether there is on file on the date and hour stated therein, any presently effective financing statement naming a particular debtor and any statement of assignment thereof and if there is, giving the date and hour of filing of each such statement and the names and addresses of each secured party therein. The uniform fee for such a certificate shall be \$10 per name searched. Upon request the filing officer shall furnish a copy of any filed~~

[Feb. 24, 2000]

~~financing statement or statement of assignment for a uniform fee of \$1.00 per page.~~

(Source: P.A. 86-343.)

(810 ILCS 5/9-408) (from Ch. 26, par. 9-408)

Sec. 9-408. Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general intangibles

ineffective.

(a) Term restricting assignment generally ineffective. Except as otherwise provided in subsection (b), a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable, or general intangible, is ineffective to the extent that the term:

(1) would impair the creation, attachment, or perfection of a security interest; or

(2) provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

(b) Applicability of subsection (a) to sales of certain rights to payment. Subsection (a) applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note.

(c) Legal restrictions on assignment generally ineffective. A rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

(1) would impair the creation, attachment, or perfection of a security interest; or

(2) provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

(d) Limitation on ineffectiveness under subsections (a) and (c). To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection (c) would be effective under law other than this Article but is ineffective under subsection (a) or (c), the creation, attachment, or perfection of a security interest in the promissory note, health-care-insurance receivable, or general intangible:

(1) is not enforceable against the person obligated on the promissory note or the account debtor;

(2) does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(3) does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;

(4) does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;

(5) does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

(6) does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.

~~Financing Statements Covering Consigned or Leased Goods.~~

~~A consignor or lessor of goods may file a financing statement using the terms "consignor," "consignee," "lessor," "lessee" or the like instead of the terms specified in Section 9-402. The provisions of this part shall apply as appropriate to such a financing statement but its filing shall not of itself be a factor in determining whether or not the consignment or lease is intended as security (Section 1-201 (37)). However, if it is determined for other reasons that the consignment or lease is so intended, a security interest of the consignor or lessor which attaches to the consigned or leased goods is perfected by such filing.~~

~~(Source: P. A. 78-238.)~~

~~(810 ILCS 5/9-409 new)~~

Sec. 9-409. Restrictions on assignment of letter-of-credit rights ineffective.

(a) Term or law restricting assignment generally ineffective. A term in a letter of credit or a rule of law, statute, regulation, custom, or practice applicable to the letter of credit which prohibits, restricts, or requires the consent of an applicant, issuer, or nominated person to a beneficiary's assignment of or creation of a security interest in a letter-of-credit right is ineffective to the extent that the term or rule of law, statute, regulation, custom, or practice:

(1) would impair the creation, attachment, or perfection of a security interest in the letter-of-credit right; or

(2) provides that the assignment or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the letter-of-credit right.

(b) Limitation on ineffectiveness under subsection (a). To the extent that a term in a letter of credit is ineffective under subsection (a) but would be effective under law other than this Article or a custom or practice applicable to the letter of credit, to the transfer of a right to draw or otherwise demand performance under the letter of credit, or to the assignment of a right to proceeds of the letter of credit, the creation, attachment, or

perfection of a security interest in the letter-of-credit right:

(1) is not enforceable against the applicant, issuer, nominated person, or transferee beneficiary;

(2) imposes no duties or obligations on the applicant, issuer, nominated person, or transferee beneficiary; and

(3) does not require the applicant, issuer, nominated

[Feb. 24, 2000]

138

person, or transferee beneficiary to recognize the security interest, pay or render performance to the secured party, or accept payment or other performance from the secured party.

(810 ILCS 5/9-410)

~~Sec. 9-410. (Blank). Disposition of fees. Of the total money collected for each filing with the Secretary of State of an original financing statement, amended statement, continuation, assignment, or for a release of collateral, \$12 of the filing fee shall be paid into the Secretary of State Special Services Fund. The remaining \$8 shall be deposited into the General Revenue Fund in the State Treasury.~~

(Source: P.A. 89-503, eff. 1-1-97; 89-697, eff. 1-6-97.)

(810 ILCS 5/Art. 9, Part 5 heading)

PART 5. FILING ~~DEFAULT~~

(810 ILCS 5/Art. 9, Part 5, Subpart 1 heading new)

SUBPART 1. FILING OFFICE; CONTENTS AND

EFFECTIVENESS OF FINANCING STATEMENT

(810 ILCS 5/9-501) (from Ch. 26, par. 9-501)

Sec. 9-501. Filing office.

(a) Filing offices. Except as otherwise provided in subsection (b), if the local law of this State governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

(1) the office designated for the filing or recording of a record of a mortgage on the related real property, if:

(A) the collateral is as-extracted collateral or timber to be cut; or

(B) the financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

(2) the office of the Secretary of State in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

(b) Filing office for transmitting utilities. The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the Secretary of State. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures. ~~Default; procedure when security agreement covers both real and personal property.~~

(1) When a debtor is in default under a security agreement, a secured party has the rights and remedies provided in this Part and except as limited by subsection (3) those provided in the security

~~agreement. He may reduce his claim to judgment, foreclose or otherwise enforce the security interest by any available judicial procedure. If the collateral is documents the secured party may proceed either as to the documents or as to the goods covered thereby. A secured party in possession has the rights, remedies and duties provided in Section 9-207. The rights and remedies referred to in this subsection are cumulative.~~

~~(2) After default, the debtor has the rights and remedies provided in this Part, those provided in the security agreement and those provided in Section 9-207.~~

~~(3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (3) of Section 9-504 and Section 9-505 and with respect to redemption of~~

[Feb. 24, 2000]

139

~~collateral (Section 9-506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:~~

~~(a) subsection (2) of Section 9-502 and subsection (2) of Section 9-504 insofar as they require accounting for surplus proceeds of collateral;~~

~~(b) subsection (3) of Section 9-504 and subsection (1) of Section 9-505 which deal with disposition of collateral;~~

~~(c) subsection (2) of Section 9-505 which deals with acceptance of collateral as discharge of obligation;~~

~~(d) Section 9-506 which deals with redemption of collateral; and~~

~~(e) subsection (1) of Section 9-507 which deals with the secured party's liability for failure to comply with this Part.~~

~~(4) If the security agreement covers both real and personal property, the secured party may proceed under this Part as to the personal property or he may proceed as to both the real and the personal property in accordance with his rights and remedies in respect to the real property in which case the provisions of this Part do not apply.~~

~~(5) When a secured party has reduced his claim to judgment the lien of any levy which may be made upon his collateral by virtue of such judgment shall relate back to the date of the perfection of the security interest in such collateral. A judicial sale, pursuant to such judgment, is a foreclosure of the security interest by judicial procedure within the meaning of this Section, and the secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this Article.~~

~~(Source: P.A. 84-546; revised 10-31-98.)~~

~~(810 ILCS 5/9-502) (from Ch. 26, par. 9-502)~~

~~Sec. 9-502. Contents of financing statement; record of mortgage as financing statement; time of filing financing statement.~~

~~(a) Sufficiency of financing statement. Subject to subsection (b), a financing statement is sufficient only if it:~~

~~(1) provides the name of the debtor;~~

~~(2) provides the name of the secured party or a~~

representative of the secured party; and

(3) indicates the collateral covered by the financing statement.

(b) Real-property-related financing statements. Except as otherwise provided in Section 9-501(b), to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection (a) and also:

(1) indicate that it covers this type of collateral;

(2) indicate that it is to be filed in the real property records;

(3) provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this State if the description were contained in a record of the mortgage of the real property; and

(4) if the debtor does not have an interest of record in the real property, provide the name of a record owner.

(c) Record of mortgage as financing statement. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

(1) the record indicates the goods or accounts that it covers;

(2) the goods are or are to become fixtures related to the

[Feb. 24, 2000]

real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;

(3) the record satisfies the requirements for a financing statement in this Section other than an indication that it is to be filed in the real property records; and

(4) the record is recorded.

(d) Filing before security agreement or attachment. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. Collection Rights of Secured Party.

(1) When so agreed and in any event on default the secured party is entitled to notify an account debtor or the obligor on an instrument to make payment to him whether or not the assignor was theretofore making collections on the collateral, and also to take control of any proceeds to which he is entitled under Section 9-306.

(2) A secured party who by agreement is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor and who undertakes to collect from the account debtors or obligors must proceed in a commercially reasonable manner and may deduct his reasonable expenses of realization from the collections. If the security agreement secures an indebtedness, the secured party must account to the debtor for any surplus, and unless otherwise agreed, the debtor is liable for any deficiency. But, if the underlying transaction was a sale of accounts or chattel paper, the debtor is entitled to any surplus or is liable for any deficiency only if the security agreement so provides.

(Source: P.A. 77-2810.)

(810 ILCS 5/9-503) (from Ch. 26, par. 9-503)

Sec. 9-503. Name of debtor and secured party.

(a) Sufficiency of debtor's name. A financing statement sufficiently provides the name of the debtor:

(1) if the debtor is a registered organization, only if the financing statement provides the name of the debtor indicated on the public record of the debtor's jurisdiction of organization which shows the debtor to have been organized;

(2) if the debtor is a decedent's estate, only if the financing statement provides the name of the decedent and indicates that the debtor is an estate;

(3) if the debtor is a trust or a trustee acting with respect to property held in trust, only if the financing statement:

(A) provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from other trusts having one or more of the same settlors; and

(B) indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and

(4) in other cases:

(A) if the debtor has a name, only if it provides the individual or organizational name of the debtor; and

(B) if the debtor does not have a name, only if it provides the names of the partners, members, associates, or other persons comprising the debtor.

(b) Additional debtor-related information. A financing statement that provides the name of the debtor in accordance with subsection (a) is not rendered ineffective by the absence of:

(1) a trade name or other name of the debtor; or

[Feb. 24, 2000]

141

(2) unless required under subsection (a)(4)(B), names of partners, members, associates, or other persons comprising the debtor.

(c) Debtor's trade name insufficient. A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

(d) Representative capacity. Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

(e) Multiple debtors and secured parties. A financing statement may provide the name of more than one debtor and the name of more than one secured party. Secured party's right to take possession after default.

Unless otherwise agreed a secured party has on default the right to take possession of the collateral. In taking possession a secured party may proceed without judicial process if this can be done without breach of the peace or may proceed by action.

~~If the security agreement so provides the secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party which is reasonably convenient to both parties. Without removal a secured party may render equipment unusable, and may dispose of collateral on the debtor's premises under Section 9-504.~~

~~(Source: Laws 1961, p. 2101.)~~

~~(810 ILCS 5/9-504) (from Ch. 26, par. 9-504)~~

Sec. 9-504. Indication of collateral. A financing statement sufficiently indicates the collateral that it covers if the financing statement provides:

(1) a description of the collateral pursuant to Section 9-108; or

(2) an indication that the financing statement covers all assets or all personal property.

~~Secured Party's Right to Dispose of Collateral After Default; Effect of Disposition.~~

~~(1) A secured party after default may sell, lease or otherwise dispose of any or all of the collateral in its then condition or following any commercially reasonable preparation or processing. Any sale of goods is subject to the Article on Sales (Article 2). The proceeds of disposition shall be applied in the order following to~~

~~(a) the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and, to the extent provided for in the agreement and not prohibited by law, the reasonable attorneys' fees and legal expenses incurred by the secured party;~~

~~(b) the satisfaction of indebtedness secured by the security interest under which the disposition is made;~~

~~(c) the satisfaction of indebtedness secured by any subordinate security interest in the collateral if written notification of demand therefor is received before distribution of the proceeds is completed. If requested by the secured party, the holder of a subordinate security interest must seasonably furnish reasonable proof of his interest, and unless he does so, the secured party need not comply with his demand.~~

~~(2) If the security interest secures an indebtedness, the secured party must account to the debtor for any surplus, and, unless otherwise agreed, the debtor is liable for any deficiency. But if the underlying transaction was a sale of accounts or chattel paper, the debtor is entitled to any surplus or is liable for any deficiency only if the security agreement so provides.~~

[Feb. 24, 2000]

~~(3) Disposition of the collateral may be by public or private proceedings and may be made by way of one or more contracts. Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms but every aspect of the disposition including the method, manner, time, place and terms must be commercially reasonable. Unless collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private~~

sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if he has not signed after default a statement renouncing or modifying his right to notification of sale. In the case of consumer goods no other notification need be sent. In other cases notification shall be sent to any other secured party from whom the secured party has received (before sending his notification to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations he may buy at private sale.

(4) When collateral is disposed of by a secured party after default, the disposition transfers to a purchaser for value all of the debtor's rights therein, discharges the security interest under which it is made and any security interest or lien subordinate thereto. The purchaser takes free of all such rights and interests even though the secured party fails to comply with the requirements of this Part or of any judicial proceedings

(a) in the case of a public sale, if the purchaser has no knowledge of any defects in the sale and if he does not buy in collusion with the secured party, other bidders or the person conducting the sale; or

(b) in any other case, if the purchaser acts in good faith.

(5) A person who is liable to a secured party under a guaranty, indorsement, repurchase agreement or the like and who receives a transfer of collateral from the secured party or is subrogated to his rights has thereafter the rights and duties of the secured party. Such a transfer of collateral is not a sale or disposition of the collateral under this Article.

(Source: P. A. 78-238.)

(810 ILCS 5/9-505) (from Ch. 26, par. 9-505)

Sec. 9-505. Filing and compliance with other statutes and treaties for consignments, leases, other bailments, and other transactions.

(a) Use of terms other than "debtor" and "secured party." A consignor, lessor, or other bailor of goods, a licensor, or a buyer of a payment intangible or promissory note may file a financing statement, or may comply with a statute or treaty described in Section 9-311(a), using the terms "consignor", "consignee", "lessor", "lessee", "bailor", "bailee", "licensor", "licensee", "owner", "registered owner", "buyer", "seller", or words of similar import, instead of the terms "secured party" and "debtor".

(b) Effect of financing statement under subsection (a). This part applies to the filing of a financing statement under subsection (a) and, as appropriate, to compliance that is equivalent to filing a financing statement under Section 9-311(b), but the filing or compliance is not of itself a factor in determining whether the collateral secures an obligation. If it is determined for another reason that the collateral secures an obligation, a security interest held by the consignor, lessor, bailor, licensor, owner, or buyer

[Feb. 24, 2000]

which attaches to the collateral is perfected by the filing or compliance. Compulsory Disposition of Collateral; Acceptance of the Collateral as Discharge of Obligation.

~~(1) If the debtor has paid 60% of the cash price in the case of a purchase money security interest in consumer goods or 60% of the loan in the case of another security interest in consumer goods, and has not signed after default a statement renouncing or modifying his rights under this Part a secured party who has taken possession of collateral must dispose of it under Section 9-504 and if he fails to do so within 90 days after he takes possession the debtor at his option may recover in conversion or under Section 9-507(1) on secured party's liability.~~

~~(2) In any other case involving consumer goods or any other collateral a secured party in possession may, after default, propose to retain the collateral in satisfaction of the obligation. Written notice of such proposal shall be sent to the debtor if he has not signed after default a statement renouncing or modifying his rights under this subsection. In the case of consumer goods no other notice need be given. In other cases notice shall be sent to any other secured party from whom the secured party has received (before sending his notice to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. If the secured party receives objection in writing from a person entitled to receive notification within twenty-one days after the notice was sent, the secured party must dispose of the collateral under Section 9-504. In the absence of such written objection the secured party may retain the collateral in satisfaction of the debtor's obligation.~~

(Source: P.A. 77-2810.)

(810 ILCS 5/9-506) (from Ch. 26, par. 9-506)

Sec. 9-506. Effect of errors or omissions.

(a) Minor errors and omissions. A financing statement substantially satisfying the requirements of this Part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

(b) Financing statement seriously misleading. Except as otherwise provided in subsection (c), a financing statement that fails sufficiently to provide the name of the debtor in accordance with Section 9-503(a) is seriously misleading.

(c) Financing statement not seriously misleading. If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with Section 9-503(a), the name provided does not make the financing statement seriously misleading.

(d) "Debtor's correct name." For purposes of Section 9-508(b), the "debtor's correct name" in subsection (c) means the correct name of the new debtor. Debtor's right to redeem collateral.

~~At any time before the secured party has disposed of collateral or entered into a contract for its disposition under Section 9-504 or before the obligation has been discharged under Section 9-505(2) the debtor or any other secured party may unless otherwise agreed in writing after default redeem the collateral by tendering fulfillment of all obligations secured by the collateral as well as the expenses reasonably incurred by the secured party in retaking, holding and preparing the collateral for disposition, in arranging for the sale, and to the extent provided in the agreement and not prohibited by~~

law, his reasonable attorneys' fees and legal expenses.
(Source: Laws 1961, p. 2101.)

(810 ILCS 5/9-507) (from Ch. 26, par. 9-507)

[Feb. 24, 2000]

Sec. 9-507. Effect of certain events on effectiveness of financing statement.

(a) Disposition. A filed financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

(b) Information becoming seriously misleading. Except as otherwise provided in subsection (c) and Section 9-508, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under Section 9-506.

(c) Change in debtor's name. If a debtor so changes its name that a filed financing statement becomes seriously misleading under Section 9-506:

(1) the financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within four months after, the change; and

(2) the financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within four months after the change. Secured party's liability for failure to comply with this part.

~~(1) If it is established that the secured party is not proceeding in accordance with the provisions of this Part disposition may be ordered or restrained on appropriate terms and conditions. If the disposition has occurred the debtor or any person entitled to notification or whose security interest has been made known to the secured party prior to the disposition has a right to recover from the secured party any loss caused by a failure to comply with the provisions of this Part. If the collateral is consumer goods, the debtor in an individual action has a right to recover in any event an amount not less than the credit service charge plus 10% of the principal amount of the debt or the time price differential plus 10% of the cash price.~~

~~(2) The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the secured party is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. If the secured party either sells the collateral in the usual manner in any recognized market therefor or if he sells at the price current in such market at the time of his sale or if he has otherwise sold in conformity with reasonable commercial practices among dealers in the type of property sold he has sold in a commercially reasonable manner. The principles stated in the two preceding sentences with respect to sales also apply as may be appropriate to other types of~~

~~disposition. A disposition which has been approved in any judicial proceeding or by any bona fide creditors' committee or representative of creditors shall conclusively be deemed to be commercially reasonable, but this sentence does not indicate that any such approval must be obtained in any case nor does it indicate that any disposition not so approved is not commercially reasonable.~~

~~(Source: P.A. 90-214, eff. 7-25-97.)~~

~~(810 ILCS 5/9-508 new)~~

~~Sec. 9-508. Effectiveness of financing statement if new debtor becomes bound by security agreement.~~

~~(a) Financing statement naming original debtor. Except as otherwise provided in this Section, a filed financing statement~~

~~[Feb. 24, 2000]~~

145

naming an original debtor is effective to perfect a security interest in collateral in which a new debtor has or acquires rights to the extent that the financing statement would have been effective had the original debtor acquired rights in the collateral.

(b) Financing statement becoming seriously misleading. If the difference between the name of the original debtor and that of the new debtor causes a filed financing statement that is effective under subsection (a) to be seriously misleading under Section 9-506:

(1) the financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four months after, the new debtor becomes bound under Section 9-203(d); and

(2) the financing statement is not effective to perfect a security interest in collateral acquired by the new debtor more than four months after the new debtor becomes bound under Section 9-203(d) unless an initial financing statement providing the name of the new debtor is filed before the expiration of that time.

(c) When Section not applicable. This Section does not apply to collateral as to which a filed financing statement remains effective against the new debtor under Section 9-507(a).

(810 ILCS 5/9-509 new)

Sec. 9-509. Persons entitled to file a record.

(a) Person entitled to file record. A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

(1) the debtor authorizes the filing in an authenticated record or pursuant to subsection (b) or (c); or

(2) the person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

(b) Security agreement as authorization. By authenticating or becoming bound as debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

(1) the collateral described in the security agreement; and

(2) property that becomes collateral under Section 9-315(a)(2), whether or not the security agreement expressly

covers proceeds.

(c) Acquisition of collateral as authorization. By acquiring collateral in which a security interest or agricultural lien continues under Section 9-315(a)(1), a debtor authorizes the filing of an initial financing statement, and an amendment, covering the collateral and property that becomes collateral under Section 9-315(a)(2).

(d) Person entitled to file certain amendments. A person may file an amendment other than an amendment that adds collateral covered by a financing statement or an amendment that adds a debtor to a financing statement only if:

(1) the secured party of record authorizes the filing; or

(2) the amendment is a termination statement for a financing statement as to which the secured party of record has failed to file or send a termination statement as required by Section 9-513(a) or (c), the debtor authorizes the filing, and the termination statement indicates that the debtor authorized it to be filed.

(e) Multiple secured parties of record. If there is more than one secured party of record for a financing statement, each secured party of record may authorize the filing of an amendment under

[Feb. 24, 2000]

146

subsection (d).

(810 ILCS 5/9-510 new)

Sec. 9-510. Effectiveness of filed record.

(a) Filed record effective if authorized. A filed record is effective only to the extent that it was filed by a person that may file it under Section 9-509.

(b) Authorization by one secured party of record. A record authorized by one secured party of record does not affect the financing statement with respect to another secured party of record.

(c) Continuation statement not timely filed. A continuation statement that is not filed within the six-month period prescribed by Section 9-515(d) is ineffective.

(810 ILCS 5/9-511 new)

Sec. 9-511. Secured party of record.

(a) Secured party of record. A secured party of record with respect to a financing statement is a person whose name is provided as the name of the secured party or a representative of the secured party in an initial financing statement that has been filed. If an initial financing statement is filed under Section 9-514(a), the assignee named in the initial financing statement is the secured party of record with respect to the financing statement.

(b) Amendment naming secured party of record. If an amendment of a financing statement which provides the name of a person as a secured party or a representative of a secured party is filed, the person named in the amendment is a secured party of record. If an amendment is filed under Section 9-514(b), the assignee named in the amendment is a secured party of record.

(c) Amendment deleting secured party of record. A person remains a secured party of record until the filing of an amendment of the financing statement which deletes the person.

(810 ILCS 5/9-512 new)

Sec. 9-512. Amendment of financing statement.

(a) Amendment of information in financing statement. Subject to Section 9-509, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or, subject to subsection (e), otherwise amend the information provided in, a financing statement by filing an amendment that:

(1) identifies, by its file number, the initial financing statement to which the amendment relates; and

(2) if the amendment relates to an initial financing statement filed or recorded in a filing office described in Section 9-501(a)(1), provides the date and time that the initial financing statement was filed and the information specified in Section 9-502(b).

(b) Period of effectiveness not affected. Except as otherwise provided in Section 9-515, the filing of an amendment does not extend the period of effectiveness of the financing statement.

(c) Effectiveness of amendment adding collateral. A financing statement that is amended by an amendment that adds collateral is effective as to the added collateral only from the date of the filing of the amendment.

(d) Effectiveness of amendment adding debtor. A financing statement that is amended by an amendment that adds a debtor is effective as to the added debtor only from the date of the filing of the amendment.

(e) Certain amendments ineffective. An amendment is ineffective to the extent it:

(1) purports to delete all debtors and fails to provide the name of a debtor to be covered by the financing statement; or

(2) purports to delete all secured parties of record and

[Feb. 24, 2000]

fails to provide the name of a new secured party of record.

(810 ILCS 5/9-513 new)

Sec. 9-513. Termination statement.

(a) Consumer goods. A secured party shall cause the secured party of record for a financing statement to file a termination statement for the financing statement if the financing statement covers consumer goods and:

(1) there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) the debtor did not authorize the filing of the initial financing statement.

(b) Time for compliance with subsection (a). To comply with subsection (a), a secured party shall cause the secured party of record to file the termination statement:

(1) within one month after there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) if earlier, within 20 days after the secured party receives an authenticated demand from a debtor.

(c) Other collateral. In cases not governed by subsection (a), within 20 days after a secured party receives an authenticated demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

(1) except in the case of a financing statement covering accounts or chattel paper that has been sold or goods that are the subject of a consignment, there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value;

(2) the financing statement covers accounts or chattel paper that has been sold but as to which the account debtor or other person obligated has discharged its obligation;

(3) the financing statement covers goods that were the subject of a consignment to the debtor but are not in the debtor's possession; or

(4) the debtor did not authorize the filing of the initial financing statement.

(d) Effect of filing termination statement. Except as otherwise provided in Section 9-510, upon the filing of a termination statement with the filing office, the financing statement to which the termination statement relates ceases to be effective. Except as otherwise provided in Section 9-510, for purposes of Sections 9-519(g), 9-522(a), and 9-523(c) the filing with the filing office of a termination statement relating to a financing statement that indicates that the debtor is a transmitting utility also causes the effectiveness of the financing statement to lapse.

(810 ILCS 5/9-514 new)

Sec. 9-514. Assignment of powers of secured party of record.

(a) Assignment reflected on initial financing statement. Except as otherwise provided in subsection (c), an initial financing statement may reflect an assignment of all of the secured party's power to authorize an amendment to the financing statement by providing the name and mailing address of the assignee as the name and address of the secured party.

(b) Assignment of filed financing statement. Except as otherwise provided in subsection (c), a secured party of record may

[Feb. 24, 2000]

assign of record all or part of its power to authorize an amendment to a financing statement by filing in the filing office an amendment of the financing statement which:

(1) identifies, by its file number, the initial financing statement to which it relates;

(2) provides the name of the assignor; and

(3) provides the name and mailing address of the assignee.

(c) Assignment of record of mortgage. An assignment of record of a security interest in a fixture covered by a record of a mortgage which is effective as a financing statement filed as a fixture filing under Section 9-502(c) may be made only by an assignment of record of the mortgage in the manner provided by law of this State other than

the Uniform Commercial Code.

(810 ILCS 5/9-515 new)

Sec. 9-515. Duration and effectiveness of financing statement; effect of lapsed financing statement.

(a) Five-year effectiveness. Except as otherwise provided in subsections (b), (e), (f), and (g), a filed financing statement is effective for a period of five years after the date of filing.

(b) Public-finance or manufactured-home transaction. Except as otherwise provided in subsections (e), (f), and (g), an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of 30 years after the date of filing if it indicates that it is filed in connection with a public-finance transaction or manufactured-home transaction.

(c) Lapse and continuation of financing statement. The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a continuation statement is filed pursuant to subsection (d). Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

(d) When continuation statement may be filed. A continuation statement may be filed only within six months before the expiration of the five-year period specified in subsection (a) or the 30-year period specified in subsection (b), whichever is applicable.

(e) Effect of filing continuation statement. Except as otherwise provided in Section 9-510, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of five years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the five-year period, the financing statement lapses in the same manner as provided in subsection (c), unless, before the lapse, another continuation statement is filed pursuant to subsection (d). Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

(f) Transmitting utility financing statement. If a debtor is a transmitting utility and a filed financing statement so indicates, the financing statement is effective until a termination statement is filed.

(g) Record of mortgage as financing statement. A record of a mortgage that is effective as a financing statement filed as a fixture filing under Section 9-502(c) remains effective as a financing statement filed as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise

[Feb. 24, 2000]

terminates as to the real property.

(810 ILCS 5/9-516 new)

Sec. 9-516. What constitutes filing; effectiveness of filing.

(a) What constitutes filing. Except as otherwise provided in subsection (b), communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

(b) Refusal to accept record; filing does not occur. Filing does not occur with respect to a record that a filing office refuses to accept because:

(1) the record is not communicated by a method or medium of communication authorized by the filing office;

(2) an amount equal to or greater than the applicable filing fee is not tendered;

(3) the filing office is unable to index the record because:

(A) in the case of an initial financing statement, the record does not provide a name for the debtor;

(B) in the case of an amendment or correction statement, the record:

(i) does not identify the initial financing statement as required by Section 9-512 or 9-518, as applicable; or

(ii) identifies an initial financing statement whose effectiveness has lapsed under Section 9-515;

(C) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(D) in the case of a record filed or recorded in the filing office described in Section 9-501(a)(1), the record does not provide a sufficient description of the real property to which it relates;

(4) in the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(5) in the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(A) provide a mailing address for the debtor;

(B) indicate whether the debtor is an individual or an organization; or

(C) if the financing statement indicates that the debtor is an organization, provide:

(i) a type of organization for the debtor;

(ii) a jurisdiction of organization for the debtor; or

(iii) an organizational identification number for the debtor or indicate that the debtor has none;

(6) in the case of an assignment reflected in an initial financing statement under Section 9-514(a) or an amendment filed under Section 9-514(b), the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by Section 9-515(d).

(c) Rules applicable to subsection (b). For purposes of subsection (b):

(1) a record does not provide information if the filing office is unable to read or decipher the information; and

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by Section 9-512, 9-514, or 9-518, is an initial financing statement.

(d) Refusal to accept record; record effective as filed record. A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

(810 ILCS 5/9-517 new)

Sec. 9-517. Effect of indexing errors. The failure of the filing office to index a record correctly does not affect the effectiveness of the filed record.

(810 ILCS 5/9-518 new)

Sec. 9-518. Claim concerning inaccurate or wrongfully filed record.

(a) Correction statement. A person may file in the filing office a correction statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

(b) Sufficiency of correction statement. A correction statement must:

(1) identify the record to which it relates by:

(A) the file number assigned to the initial financing statement to which the record relates; and

(B) if the correction statement relates to a record filed or recorded in a filing office described in Section 9-501(a)(1), the date and time that the initial financing statement was filed and the information specified in Section 9-502(b);

(2) indicate that it is a correction statement; and

(3) provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

(c) Record not affected by correction statement. The filing of a correction statement does not affect the effectiveness of an initial financing statement or other filed record.

(810 ILCS 5/Art. 9, Part 5, Subpart 2 heading new)

SUBPART 2. DUTIES AND OPERATION OF FILING OFFICE

(810 ILCS 5/9-519 new)

Sec. 9-519. Numbering, maintaining, and indexing records; communicating information provided in records.

(a) Filing office duties. For each record filed in a filing

office, the filing office shall:

- (1) assign a unique number to the filed record;
- (2) create a record that bears the number assigned to the filed record and the date and time of filing;
- (3) maintain the filed record for public inspection; and
- (4) index the filed record in accordance with subsections (c), (d), and (e).

(b) File number. A file number assigned after January 1, 2002, must include a digit that:

[Feb. 24, 2000]

151

(1) is mathematically derived from or related to the other digits of the file number; and

(2) aids the filing office in determining whether a number communicated as the file number includes a single-digit or transpositional error.

(c) Indexing: general. Except as otherwise provided in subsections (d) and (e), the filing office shall:

(1) index an initial financing statement according to the name of the debtor and index all filed records relating to the initial financing statement in a manner that associates with one another an initial financing statement and all filed records relating to the initial financing statement; and

(2) index a record that provides a name of a debtor which was not previously provided in the financing statement to which the record relates also according to the name that was not previously provided.

(d) Indexing: real-property-related financing statement. If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, it must be filed for record and the filing office shall index it:

(1) under the names of the debtor and of each owner of record shown on the financing statement as if they were the mortgagors under a mortgage of the real property described; and

(2) to the extent that the law of this State provides for indexing of records of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or, if indexing is by description, as if the financing statement were a record of a mortgage of the real property described.

(e) Indexing: real-property-related assignment. If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing office shall index an assignment filed under Section 9-514(a) or an amendment filed under Section 9-514(b):

(1) under the name of the assignor as grantor; and

(2) to the extent that the law of this State provides for indexing a record of the assignment of a mortgage under the name of the assignee, under the name of the assignee.

(f) Retrieval and association capability. The filing office shall maintain a capability:

(1) to retrieve a record by the name of the debtor and by the file number assigned to the initial financing statement to

which the record relates; and

(2) to associate and retrieve with one another an initial financing statement and each filed record relating to the initial financing statement.

(g) Removal of debtor's name. The filing office may not remove a debtor's name from the index until one year after the effectiveness of a financing statement naming the debtor lapses under Section 9-515 with respect to all secured parties of record.

(h) Timeliness of filing office performance. The filing office shall perform the acts required by subsections (a) through (e) at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the record in question.

(i) Inapplicability to real-property-related filing office. Subsections (b) and (h) do not apply to a filing office described in Section 9-501(a)(1).

(810 ILCS 5/9-520 new)

Sec. 9-520. Acceptance and refusal to accept record.

[Feb. 24, 2000]

152

(a) Mandatory refusal to accept record. A filing office shall refuse to accept a record for filing for a reason set forth in Section 9-516(b) and may refuse to accept a record for filing only for a reason set forth in Section 9-516(b).

(b) Communication concerning refusal. If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication must be made at the time and in the manner prescribed by filing-office rule, but in the case of a filing office described in Section 9-501(a)(2), in no event more than two business days after the filing office receives the record.

(c) When filed financing statement effective. A filed financing statement satisfying Section 9-502(a) and (b) is effective, even if the filing office is required to refuse to accept it for filing under subsection (a). However, Section 9-338 applies to a filed financing statement providing information described in Section 9-516(b)(5) which is incorrect at the time the financing statement is filed.

(d) Separate application to multiple debtors. If a record communicated to a filing office provides information that relates to more than one debtor, this Part applies as to each debtor separately.

(810 ILCS 5/9-521 new)

Sec. 9-521. Uniform form of written financing statement and amendment.

(a) Initial financing statement form. A filing office that accepts written records may not refuse to accept a written initial financing statement in the form and format set forth in the final official text of the 1999 revisions to Article 9 of the Uniform Commercial Code promulgated by the American Law Institute and the National Conference of Commissioners on Uniform State Laws, except for a reason set forth in Section 9-516(b).

(b) Amendment form. A filing office that accepts written

records may not refuse to accept a written record in the form and format set forth in the final official text of the 1999 revisions to Article 9 of the Uniform Commercial Code promulgated by the American Law Institute and the National Conference of Commissioners on Uniform State Laws, except for a reason set forth in Section 9-516(b).

(810 ILCS 5/9-522 new)

Sec. 9-522. Maintenance and destruction of records.

(a) Post-lapse maintenance and retrieval of information. The filing office shall maintain a record of the information provided in a filed financing statement for at least one year after the effectiveness of the financing statement has lapsed under Section 9-515 with respect to all secured parties of record. The record must be retrievable by using the name of the debtor and:

(1) if the record was filed in the filing office described in Section 9-501(a)(1), by using the file number assigned to the initial financing statement to which the record relates and the date and time that the record was filed or recorded; or

(2) if the record was filed in the filing office described in Section 9-501(a)(2), by using the file number assigned to the initial financing statement to which the record relates.

(b) Destruction of written records. Except to the extent that a statute governing disposition of public records provides otherwise, the filing office immediately may destroy any written record evidencing a financing statement. However, if the filing office destroys a written record, it shall maintain another record of the financing statement which complies with subsection (a).

(810 ILCS 5/9-523 new)

[Feb. 24, 2000]

Sec. 9-523. Information from filing office; sale or license of records.

(a) Acknowledgment of filing written record. If a person that files a written record requests an acknowledgment of the filing, the filing office shall send to the person an image of the record showing the number assigned to the record pursuant to Section 9-519(a)(1) and the date and time of the filing of the record. However, if the person furnishes a copy of the record to the filing office, the filing office may instead:

(1) note upon the copy the number assigned to the record pursuant to Section 9-519(a)(1) and the date and time of the filing of the record; and

(2) send the copy to the person.

(b) Acknowledgment of filing other record. If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:

(1) the information in the record;

(2) the number assigned to the record pursuant to Section 9-519(a)(1); and

(3) the date and time of the filing of the record.

(c) Communication of requested information. The filing office shall communicate or otherwise make available in a record the following information to any person that requests it:

(1) whether there is on file on a date and time specified

by the filing office, but not a date earlier than three business days before the filing office receives the request, any financing statement that:

(A) designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;

(B) has not lapsed under Section 9-515 with respect to all secured parties of record; and

(C) if the request so states, has lapsed under Section 9-515 and a record of which is maintained by the filing office under Section 9-522(a);

(2) the date and time of filing of each financing statement; and

(3) the information provided in each financing statement.

(d) Medium for communicating information. In complying with its duty under subsection (c), the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing a record that can be admitted into evidence in the courts of this State without extrinsic evidence of its authenticity.

(e) Timeliness of filing office performance. The filing office shall perform the acts required by subsections (a) through (d) at the time and in the manner prescribed by filing-office rule, but in the case of a filing office described in Section 9-501(a)(2), not later than two business days after the filing office receives the request.

(f) Public availability of records. At least weekly, the Secretary of State shall offer to sell or license to the public on a nonexclusive basis, in bulk, copies of all records filed in it under this Part, in every medium from time to time available to the filing office.

(810 ILCS 5/9-524 new)

Sec. 9-524. Delay by filing office. Delay by the filing office beyond a time limit prescribed by this Part is excused if:

(1) the delay is caused by interruption of communication or computer facilities, war, emergency conditions, failure of equipment, or other circumstances beyond control of the filing

[Feb. 24, 2000]

office; and

(2) the filing office exercises reasonable diligence under the circumstances.

(810 ILCS 5/9-525 new)

Sec. 9-525. Fees.

(a) Initial financing statement or other record: general rule. Except as otherwise provided in subsection (e), the fee for filing and indexing a record under this Part, other than an initial financing statement of the kind described in subsection (b), is:

(1) \$20 if the record is communicated in writing and consists of one or two pages;

(2) \$20 if the record is communicated in writing and consists of more than two pages; and

(3) \$20 if the record is communicated by another medium authorized by filing-office rule.

(b) Initial financing statement: public-finance and manufactured-housing transactions. Except as otherwise provided in subsection (e), the fee for filing and indexing an initial financing statement of the following kind is:

(1) \$20 if the financing statement indicates that it is filed in connection with a public-finance transaction;

(2) \$20 if the financing statement indicates that it is filed in connection with a manufactured-home transaction.

(c) Number of names. The number of names required to be indexed does not affect the amount of the fee in subsections (a) and (b).

(d) Response to information request. The fee for responding to a request for information from the filing office, including for issuing a certificate showing communicating whether there is on file any financing statement naming a particular debtor, is:

(1) \$10 if the request is communicated in writing; and

(2) \$10 if the request is communicated by another medium authorized by filing-office rule.

(e) Record of mortgage. This Section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under Section 9-502(c). However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

(810 ILCS 5/9-526 new)

Sec. 9-526. Filing-office rules.

(a) Adoption of filing-office rules. The Secretary of State shall adopt and publish rules to implement this Article. The filing-office rules must be:

(1) consistent with this Article; and

(2) adopted and published in accordance with the Illinois Administrative Procedure Act.

(b) Harmonization of rules. To keep the filing-office rules and practices of the filing office in harmony with the rules and practices of filing offices in other jurisdictions that enact substantially this Part, and to keep the technology used by the filing office compatible with the technology used by filing offices in other jurisdictions that enact substantially this Part, the Secretary of State, so far as is consistent with the purposes, policies, and provisions of this Article, in adopting, amending, and repealing filing-office rules, shall:

(1) consult with filing offices in other jurisdictions that enact substantially this Part; and

(2) consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators or any successor organization; and

[Feb. 24, 2000]

(3) take into consideration the rules and practices of, and the technology used by, filing offices in other jurisdictions that enact substantially this Part.

(810 ILCS 5/9-527 new)

Sec. 9-527. Duty to report. The Secretary of State shall report annually to the Governor and Legislature on the operation of the

filing office. The report must contain a statement of the extent to which:

(1) the filing-office rules are not in harmony with the rules of filing offices in other jurisdictions that enact substantially this Part and the reasons for these variations; and

(2) the filing-office rules are not in harmony with the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators, or any successor organization, and the reasons for these variations.

(810 ILCS 5/Art. 9, Part 6 heading new)

PART 6. DEFAULT

(810 ILCS 5/Art. 9, Part 6, Subpart 1 heading new)

SUBPART 1. DEFAULT AND ENFORCEMENT OF SECURITY INTEREST

(810 ILCS 5/9-601 new)

Sec. 9-601. Rights after default; judicial enforcement; consignor or buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(a) Rights of secured party after default. After default, a secured party has the rights provided in this Part and, except as otherwise provided in Section 9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) Rights and duties of secured party in possession or control. A secured party in possession of collateral or control of collateral under Section 9-104, 9-105, 9-106, or 9-107 has the rights and duties provided in Section 9-207.

(c) Rights cumulative; simultaneous exercise. The rights under subsections (a) and (b) are cumulative and may be exercised simultaneously.

(d) Rights of debtor and obligor. Except as otherwise provided in subsection (g) and Section 9-605, after default, a debtor and an obligor have the rights provided in this Part and by agreement of the parties.

(e) Lien of levy after judgment. If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of a judgment relates back to the earliest of:

(1) the date of perfection of the security interest or agricultural lien in the collateral;

(2) the date of filing a financing statement covering the collateral; or

(3) any date specified in a statute under which the agricultural lien was created.

(f) Execution sale. A sale pursuant to a judgment is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this Section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this Article.

(g) Consignor or buyer of certain rights to payment. Except as otherwise provided in Section 9-607(c), this Part imposes no duties upon a secured party that is a consignor or is a buyer of accounts,

[Feb. 24, 2000]

chattel paper, payment intangibles, or promissory notes.

(810 ILCS 5/9-602 new)

Sec. 9-602. Waiver and variance of rights and duties. Except as otherwise provided in Section 9-624, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed Sections:

(1) Section 9-207(b)(4)(C), which deals with use and operation of the collateral by the secured party;

(2) Section 9-210, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

(3) Section 9-607(c), which deals with collection and enforcement of collateral;

(4) Sections 9-608(a) and 9-615(c) to the extent that they deal with application or payment of noncash proceeds of collection, enforcement, or disposition;

(5) Sections 9-608(a) and 9-615(d) to the extent that they require accounting for or payment of surplus proceeds of collateral;

(6) Section 9-609 to the extent that it imposes upon a secured party that takes possession of collateral without judicial process the duty to do so without breach of the peace;

(7) Sections 9-610(b), 9-611, 9-613, and 9-614, which deal with disposition of collateral;

(8) Section 9-615(f), which deals with calculation of a deficiency or surplus when a disposition is made to the secured party, a person related to the secured party, or a secondary obligor;

(9) Section 9-616, which deals with explanation of the calculation of a surplus or deficiency;

(10) Sections 9-620, 9-621, and 9-622, which deal with acceptance of collateral in satisfaction of obligation;

(11) Section 9-623, which deals with redemption of collateral;

(12) Section 9-624, which deals with permissible waivers; and

(13) Sections 9-625 and 9-626, which deal with the secured party's liability for failure to comply with this Article.

(810 ILCS 5/9-603 new)

Sec. 9-603. Agreement on standards concerning rights and duties.

(a) Agreed standards. The parties may determine by agreement the standards measuring the fulfillment of the rights of a debtor or obligor and the duties of a secured party under a rule stated in Section 9-602 if the standards are not manifestly unreasonable.

(b) Agreed standards inapplicable to breach of peace. Subsection (a) does not apply to the duty under Section 9-609 to refrain from breaching the peace.

(810 ILCS 5/9-604 new)

Sec. 9-604. Procedure if security agreement covers real property or fixtures.

(a) Enforcement: personal and real property. If a security agreement covers both personal and real property, a secured party may proceed:

- (1) under this Part as to the personal property without prejudicing any rights with respect to the real property; or
- (2) as to both the personal property and the real property in accordance with the rights with respect to the real property, in which case the other provisions of this Part do not apply.
- (b) Enforcement: fixtures. Subject to subsection (c), if a

[Feb. 24, 2000]

157

security agreement covers goods that are or become fixtures, a secured party may proceed:

- (1) under this Part; or
- (2) in accordance with the rights with respect to real property, in which case the other provisions of this Part do not apply.
- (c) Removal of fixtures. Subject to the other provisions of this Part, if a secured party holding a security interest in fixtures has priority over all owners and encumbrancers of the real property, the secured party, after default, may remove the collateral from the real property.
- (d) Injury caused by removal. A secured party that removes collateral shall promptly reimburse any encumbrancer or owner of the real property, other than the debtor, for the cost of repair of any physical injury caused by the removal. The secured party need not reimburse the encumbrancer or owner for any diminution in value of the real property caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

(810 ILCS 5/9-605 new)

Sec. 9-605. Unknown debtor or secondary obligor. A secured party does not owe a duty based on its status as secured party:

- (1) to a person that is a debtor or obligor, unless the secured party knows:
 - (A) that the person is a debtor or obligor;
 - (B) the identity of the person; and
 - (C) how to communicate with the person; or
- (2) to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:
 - (A) that the person is a debtor; and
 - (B) the identity of the person.

(810 ILCS 5/9-606 new)

Sec. 9-606. Time of default for agricultural lien. For purposes of this Part, a default occurs in connection with an agricultural lien at the time the secured party becomes entitled to enforce the lien in accordance with the statute under which it was created.

(810 ILCS 5/9-607 new)

Sec. 9-607. Collection and enforcement by secured party.

(a) Collection and enforcement generally. If so agreed, and in any event after default, a secured party:

- (1) may notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to

or for the benefit of the secured party;

(2) may take any proceeds to which the secured party is entitled under Section 9-315;

(3) may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;

(4) if it holds a security interest in a deposit account perfected by control under Section 9-104(a)(1), may apply the balance of the deposit account to the obligation secured by the deposit account; and

(5) if it holds a security interest in a deposit account

[Feb. 24, 2000]

158

perfected by control under Section 9-104(a)(2) or (3), may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

(b) Nonjudicial enforcement of mortgage. If necessary to enable a secured party to exercise under subsection (a)(3) the right of a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which a record of the mortgage is recorded:

(1) a copy of the security agreement that creates or provides for a security interest in the obligation secured by the mortgage; and

(2) the secured party's sworn affidavit in recordable form stating that:

(A) a default has occurred; and

(B) the secured party is entitled to enforce the mortgage nonjudicially.

(c) Commercially reasonable collection and enforcement. A secured party shall proceed in a commercially reasonable manner if the secured party:

(1) undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

(2) is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

(d) Expenses of collection and enforcement. A secured party may deduct from the collections made pursuant to subsection (c) reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party.

(e) Duties to secured party not affected. This Section does not determine whether an account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

(810 ILCS 5/9-608 new)

Sec. 9-608. Application of proceeds of collection or enforcement; liability for deficiency and right to surplus.

(a) Application of proceeds, surplus, and deficiency if obligation secured. If a security interest or agricultural lien

secures payment or performance of an obligation, the following rules apply:

(1) A secured party shall apply or pay over for application the cash proceeds of collection or enforcement under Section 9-607 in the following order to:

(A) the reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(B) the satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

(C) the satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives an authenticated demand for proceeds before distribution of the proceeds is completed.

(2) If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder complies, the secured party need not comply with the holder's demand under paragraph (1)(C).

(3) A secured party need not apply or pay over for

[Feb. 24, 2000]

159

application noncash proceeds of collection and enforcement under Section 9-607 unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

(4) A secured party shall account to and pay a debtor for any surplus, and the obligor is liable for any deficiency.

(b) No surplus or deficiency in sales of certain rights to payment. If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes, the debtor is not entitled to any surplus, and the obligor is not liable for any deficiency.

(810 ILCS 5/9-609 new)

Sec. 9-609. Secured party's right to take possession after default.

(a) Possession; rendering equipment unusable; disposition on debtor's premises. After default, a secured party:

(1) may take possession of the collateral; and

(2) without removal, may render equipment unusable and dispose of collateral on a debtor's premises under Section 9-610.

(b) Judicial and nonjudicial process. A secured party may proceed under subsection (a):

(1) pursuant to judicial process; or

(2) without judicial process, if it proceeds without breach of the peace.

(c) Assembly of collateral. If so agreed, and in any event after default, a secured party may require the debtor to assemble the

collateral and make it available to the secured party at a place to be designated by the secured party which is reasonably convenient to both parties.

(810 ILCS 5/9-610 new)

Sec. 9-610. Disposition of collateral after default.

(a) Disposition after default. After default, a secured party may sell, lease, license, or otherwise dispose of any or all of the collateral in its present condition or following any commercially reasonable preparation or processing.

(b) Commercially reasonable disposition. Every aspect of a disposition of collateral, including the method, manner, time, place, and other terms, must be commercially reasonable. If commercially reasonable, a secured party may dispose of collateral by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

(c) Purchase by secured party. A secured party may purchase collateral:

(1) at a public disposition; or

(2) at a private disposition only if the collateral is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations.

(d) Warranties on disposition. A contract for sale, lease, license, or other disposition includes the warranties relating to title, possession, quiet enjoyment, and the like which by operation of law accompany a voluntary disposition of property of the kind subject to the contract.

(e) Disclaimer of warranties. A secured party may disclaim or modify warranties under subsection (d):

(1) in a manner that would be effective to disclaim or modify the warranties in a voluntary disposition of property of the kind subject to the contract of disposition; or

(2) by communicating to the purchaser a record evidencing the contract for disposition and including an express disclaimer

[Feb. 24, 2000]

160

or modification of the warranties.

(f) Record sufficient to disclaim warranties. A record is sufficient to disclaim warranties under subsection (e) if it indicates "There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition" or uses words of similar import.

(810 ILCS 5/9-611 new)

Sec. 9-611. Notification before disposition of collateral.

(a) "Notification date." In this Section, "notification date" means the earlier of the date on which:

(1) a secured party sends to the debtor and any secondary obligor an authenticated notification of disposition; or

(2) the debtor and any secondary obligor waive the right to notification.

(b) Notification of disposition required. Except as otherwise provided in subsection (d), a secured party that disposes of collateral under Section 9-610 shall send to the persons specified in subsection (c) a reasonable authenticated notification of

disposition.

(c) Persons to be notified. To comply with subsection (b), the secured party shall send an authenticated notification of disposition to:

(1) the debtor;

(2) any secondary obligor; and

(3) if the collateral is other than consumer goods:

(A) any other person from which the secured party has received, before the notification date, an authenticated notification of a claim of an interest in the collateral;

(B) any other secured party or lienholder that, 10 days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(i) identified the collateral;

(ii) was indexed under the debtor's name as of that date; and

(iii) was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and

(C) any other secured party that, 10 days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in Section 9-311(a).

(d) Subsection (b) inapplicable: perishable collateral; recognized market. Subsection (b) does not apply if the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market.

(e) Compliance with subsection (c)(3)(B). A secured party complies with the requirement for notification prescribed by subsection (c)(3)(B) if:

(1) not later than 20 days or earlier than 30 days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's name in the office indicated in subsection (c)(3)(B); and

(2) before the notification date, the secured party:

(A) did not receive a response to the request for information; or

(B) received a response to the request for information and sent an authenticated notification of disposition to each secured party or other lienholder named in that

[Feb. 24, 2000]

response whose financing statement covered the collateral.

(810 ILCS 5/9-612 new)

Sec. 9-612. Timeliness of notification before disposition of collateral.

(a) Reasonable time is question of fact. Except as otherwise provided in subsection (b), whether a notification is sent within a reasonable time is a question of fact. The limitation of the rule in subsection (b) to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper

rules in consumer-goods transactions. The court may not infer from that limitation the nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.

(b) 10-day period sufficient in non-consumer transaction. In a transaction other than a consumer transaction, a notification of disposition sent after default and 10 days or more before the earliest time of disposition set forth in the notification is sent within a reasonable time before the disposition.

(810 ILCS 5/9-613 new)

Sec. 9-613. Contents and form of notification before disposition of collateral: general. Except in a consumer-goods transaction, the following rules apply:

(1) The contents of a notification of disposition are sufficient if the notification:

(A) describes the debtor and the secured party;

(B) describes the collateral that is the subject of the intended disposition;

(C) states the method of intended disposition;

(D) states that the debtor is entitled to an accounting of the unpaid indebtedness and states the charge, if any, for an accounting; and

(E) states the time and place of a public disposition or the time after which any other disposition is to be made.

(2) Whether the contents of a notification that lacks any of the information specified in paragraph (1) are nevertheless sufficient is a question of fact.

(3) The contents of a notification providing substantially the information specified in paragraph (1) are sufficient, even if the notification is accompanied by or combined other notification or includes:

(A) information not specified by that paragraph; or

(B) minor errors that are not seriously misleading.

(4) A particular phrasing of the notification is not required.

(5) The following form of notification and the form appearing in Section 9-614(4), when completed, each provides sufficient information:

NOTIFICATION OF DISPOSITION OF COLLATERAL

To: (Name of debtor, obligor, or other person to which the notification is sent)

From: (Name, address, and telephone number of secured party)

Name of Debtor(s): (Include only if debtor(s) are not an addressee)

For a public disposition:

We will sell or lease or license, as applicable, the (describe collateral) to the highest qualified bidder in public as follows:

Day and Date:

Time:

Place:

[Feb. 24, 2000]

For a private disposition:

We will sell (or lease or license, as applicable) the
..... (describe collateral) privately
sometime after (day and date).

You are entitled to an accounting of the unpaid indebtedness
secured by the property that we intend to sell or lease or
license, as applicable for a charge of \$..... You
may request an accounting by calling us at (telephone number).

(810 ILCS 5/9-614 new)

Sec. 9-614. Contents and form of notification before disposition
of collateral: consumer-goods transaction. In a consumer-goods
transaction, the following rules apply:

(1) A notification of disposition must provide the
following information:

(A) the information specified in Section 9-613(1);

(B) a description of any liability for a deficiency of
the person to which the notification is sent;

(C) a telephone number from which the amount that must
be paid to the secured party to redeem the collateral under
Section 9-623 is available; and

(D) a telephone number or mailing address from which
additional information concerning the disposition and the
obligation secured is available.

(2) A particular phrasing of the notification is not
required.

(3) The contents of a notification providing substantially
the information specified in paragraph (1) are sufficient, even
if the notification:

(A) is accompanied by or combined with other
notifications;

(B) includes information not specified by that
paragraph; or

(C) includes minor errors that are not seriously
misleading.

(4) The following form of notification, when completed,
provides sufficient information:

..... (Name and address of secured party)

..... (Date)

NOTICE OF OUR PLAN TO SELL PROPERTY

.....

(Name and address of any obligor who is also a debtor)

Subject:

(Identification of Transaction)

We have your (describe collateral),
because you broke promises in our agreement.

For a public disposition:

We will sell (describe collateral)
at public sale. A sale could include a lease or license. The
sale will be held as follows:

Date:

Time:

Place:

You may attend the sale and bring bidders if you want.

For a private disposition:

We will sell (describe
collateral) at private sale sometime after

(date). A sale could include a lease or license.

The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you

[Feb. 24, 2000]

163

owe, you (will or will not, as applicable) still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

You can get the property back at any time before we sell it by paying us the full amount you owe (not just the past due payments), including our expenses. To learn the exact amount you must pay, call us at (telephone number).

If you want us to explain to you in writing how we have figured the amount that you owe us, you may call us at (telephone number) or write us at (secured party's address) and request a written explanation. We will charge you \$ for the explanation if we sent you another written explanation of the amount you owe us within the last six months.

If you need more information about the sale call us at (telephone number) or write us at (secured party's address).

We are sending this notice to the following other people who have an interest (describe collateral) or who owe money under your agreement:

.....
(Names of all other debtors and obligors, if any)

(5) A notification in the form of paragraph (4) is sufficient, even if it includes errors in information not required by paragraph (1).

(6) If a notification under this Section is not in the form of paragraph (4), law other than this Article determines the effect of including information not required by paragraph (1).

(810 ILCS 5/9-615 new)

Sec. 9-615. Application of proceeds of disposition; liability for deficiency and right to surplus.

(a) Application of proceeds. A secured party shall apply or pay over for application the cash proceeds of disposition in the following order to:

(1) the reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(2) the satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

(3) the satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

(A) the secured party receives from the holder of the subordinate security interest or other lien an authenticated demand for proceeds before distribution of the proceeds is completed; and

(B) in a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

(4) a secured party that is a consignor of the collateral if the secured party receives from the consignor an authenticated demand for proceeds before distribution of the proceeds is completed.

(b) Proof of subordinate interest. If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder does so, the secured party need not comply with the holder's demand under subsection (a)(3).

[Feb. 24, 2000]

164

(c) Application of noncash proceeds. A secured party need not apply or pay over for application noncash proceeds of disposition under this Section unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

(d) Surplus or deficiency if obligation secured. If the security interest under which a disposition is made secures payment or performance of an obligation, after making the payments and applications required by subsection (a) and permitted by subsection (c):

(1) unless subsection (a)(4) requires the secured party to apply or pay over cash proceeds to a consignor, the secured party shall account to and pay a debtor for any surplus; and

(2) the obligor is liable for any deficiency.

(e) No surplus or deficiency in sales of certain rights to payment. If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes:

(1) the debtor is not entitled to any surplus; and

(2) the obligor is not liable for any deficiency.

(f) Calculation of surplus or deficiency in disposition to person related to secured party. The surplus or deficiency following a disposition is calculated based on the amount of proceeds that would have been realized in a disposition complying with this Part and described in subsection (f)(2) of this Section to a transferee other than the secured party, a person related to the secured party, or a secondary obligor if:

(1) the transferee in the disposition is the secured party, a person related to the secured party, or a secondary obligor; and

(2) the amount of proceeds of the disposition is significantly below the range of proceeds that would have been received from a complying disposition by a forced sale without reserve to a willing buyer other than the secured party, a person related to the secured party, or a secondary obligor.

(g) Cash proceeds received by junior secured party. A secured party that receives cash proceeds of a disposition in good faith and without knowledge that the receipt violates the rights of the holder of a security interest or other lien that is not subordinate to the

security interest or agricultural lien under which the disposition is made:

(1) takes the cash proceeds free of the security interest or other lien;

(2) is not obligated to apply the proceeds of the disposition to the satisfaction of obligations secured by the security interest or other lien; and

(3) is not obligated to account to or pay the holder of the security interest or other lien for any surplus.

(810 ILCS 5/9-616 new)

Sec. 9-616. Explanation of calculation of surplus or deficiency.

(a) Definitions. In this Section:

(1) "Explanation" means a writing that:

(A) states whether a surplus or deficiency is owed and the amount of the surplus, if applicable;

(B) states, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency;

(C) provides a telephone number or mailing address from which the debtor or consumer obligor may obtain

[Feb. 24, 2000]

165

additional information concerning the transaction and from which such person may request the amount of the deficiency and further information regarding how the secured party calculated the surplus or deficiency; and

(D) at the sender's option, the information set forth in subsection (c).

(2) "Request" means a record:

(A) authenticated by a debtor or consumer obligor;

(B) requesting that the recipient provide information of how it calculated the surplus or deficiency; and

(C) sent after disposition of the collateral under Section 9-610.

(b) Explanation of calculation. In a consumer-goods transaction in which the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under Section 9-615, the secured party shall:

(1) send an explanation to the debtor or consumer obligor, as applicable, after the disposition and:

(A) before or when the secured party accounts to the debtor and pays any surplus or first makes written demand on the consumer obligor after the disposition for payment of the deficiency, other than in instances in which such demand is made by a third-party debt collector covered by the Fair Debt Collection Practices Act; and

(B) within 14 days after receipt of a request made by the debtor or consumer obligor within one year after the secured party has given an explanation under this Section or notice to such debtor or consumer obligor under Section 9-614 of this Article; or

(2) in the case of a consumer obligor who is liable for a deficiency, within 14 days after receipt of a request, send to

the consumer obligor a record waiving the secured party's right to a deficiency.

(c) Required information for response to request. To comply with a request, the secured party must provide a response in writing which includes the following information:

(1) the aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:

(A) if the secured party takes or receives possession of the collateral after default, not more than 35 days before the secured party takes or receives possession; or

(B) if the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than 35 days before the disposition;

(2) the amount of proceeds of the disposition;

(3) the aggregate amount of the obligations after deducting the amount of proceeds;

(4) the amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorney's fees secured by the collateral which are known to the secured party and relate to the current disposition;

(5) the amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in paragraph (1); and

(6) the amount of the surplus or deficiency.

[Feb. 24, 2000]

166

(d) Substantial compliance. A particular phrasing of the explanation or response to a request is not required. An explanation or a response to a request complying substantially with the requirements of this Section is sufficient even if it is:

(1) accompanied by or combined with other notifications;

(2) includes information not specified by this Section;

(3) includes minor errors that are not seriously misleading; or

(4) includes errors in information not required by this Section.

(e) Charges for responses. A debtor or consumer obligor is entitled without charge to one response to a request under this Section during any six-month period in which the secured party did not send to the debtor or consumer obligor an explanation pursuant to subsection (b)(1). The secured party may require payment of a charge not exceeding \$25 for each additional response.

(810 ILCS 5/9-617 new)

Sec. 9-617. Rights of transferee of collateral.

(a) Effects of disposition. A secured party's disposition of collateral after default:

(1) transfers to a transferee for value all of the debtor's

rights in the collateral;

(2) discharges the security interest under which the disposition is made; and

(3) discharges any subordinate security interest or other subordinate lien.

(b) Rights of good-faith transferee. A transferee that acts in good faith takes free of the rights and interests described in subsection (a), even if the secured party fails to comply with this Article or the requirements of any judicial proceeding.

(c) Rights of other transferee. If a transferee does not take free of the rights and interests described in subsection (a), the transferee takes the collateral subject to:

(1) the debtor's rights in the collateral;

(2) the security interest or agricultural lien under which the disposition is made; and

(3) any other security interest or other lien.

(810 ILCS 5/9-618 new)

Sec. 9-618. Rights and duties of certain secondary obligors.

(a) Rights and duties of secondary obligor. A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after the secondary obligor:

(1) receives an assignment of a secured obligation from the secured party;

(2) receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party; or

(3) is subrogated to the rights of a secured party with respect to collateral.

(b) Effect of assignment, transfer, or subrogation. An assignment, transfer, or subrogation described in subsection (a):

(1) is not a disposition of collateral under Section 9-610; and

(2) relieves the secured party of further duties under this Article.

(810 ILCS 5/9-619 new)

Sec. 9-619. Transfer of record or legal title.

(a) "Transfer statement." In this Section, "transfer statement" means a record authenticated by a secured party stating:

(1) that the debtor has defaulted in connection with an

[Feb. 24, 2000]

obligation secured by specified collateral;

(2) that the secured party has exercised its post-default remedies with respect to the collateral;

(3) that, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral; and

(4) the name and mailing address of the secured party, debtor, and transferee.

(b) Effect of transfer statement. A transfer statement entitles the transferee to the transfer of record of all rights of the debtor in the collateral specified in the statement in any official filing, recording, registration, or certificate-of-title system covering the collateral. If a transfer statement is presented with the applicable

fee and request form to the official or office responsible for maintaining the system, the official or office shall:

- (1) accept the transfer statement;
- (2) promptly amend its records to reflect the transfer; and
- (3) if applicable, issue a new appropriate certificate of title in the name of the transferee.

(c) Transfer not a disposition; no relief of secured party's duties. A transfer of the record or legal title to collateral to a secured party under subsection (b) or otherwise is not of itself a disposition of collateral under this Article and does not of itself relieve the secured party of its duties under this Article.

(810 ILCS 5/9-620 new)

Sec. 9-620. Acceptance of collateral in full or partial satisfaction of obligation; compulsory disposition of collateral.

(a) Conditions to acceptance in satisfaction. Except as otherwise provided in subsection (g), a secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

- (1) the debtor consents to the acceptance under subsection (c);

- (2) the secured party does not receive, within the time set forth in subsection (d), a notification of objection to the proposal authenticated by:

(A) a person to which the secured party was required to send a proposal under Section 9-621; or

(B) any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal;

- (3) if the collateral is consumer goods, the collateral is not in the possession of the debtor when the debtor consents to the acceptance; and

- (4) subsection (e) does not require the secured party to dispose of the collateral or the debtor waives the requirement pursuant to Section 9-624.

(b) Purported acceptance ineffective. A purported or apparent acceptance of collateral under this Section is ineffective unless:

- (1) the secured party consents to the acceptance in an authenticated record or sends a proposal to the debtor; and

- (2) the conditions of subsection (a) are met.

(c) Debtor's consent. For purposes of this Section:

- (1) a debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default; and

- (2) a debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default or the secured party:

[Feb. 24, 2000]

(A) sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be

preserved or maintained;

(B) in the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(C) does not receive a notification of objection authenticated by the debtor within 20 days after the proposal is sent.

(d) Effectiveness of notification. To be effective under subsection (a)(2), a notification of objection must be received by the secured party:

(1) in the case of a person to which the proposal was sent pursuant to Section 9-621, within 20 days after notification was sent to that person; and

(2) in other cases:

(A) within 20 days after the last notification was sent pursuant to Section 9-621; or

(B) if a notification was not sent, before the debtor consents to the acceptance under subsection (c).

(e) Mandatory disposition of consumer goods. A secured party that has taken possession of collateral shall dispose of the collateral pursuant to Section 9-610 within the time specified in subsection (f) if:

(1) 60 percent of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or

(2) 60 percent of the principal amount of the obligation secured has been paid in the case of a non-purchase-money security interest in consumer goods.

(f) Compliance with mandatory disposition requirement. To comply with subsection (e), the secured party shall dispose of the collateral:

(1) within 90 days after taking possession; or

(2) within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and authenticated after default.

(g) No partial satisfaction in consumer transaction. In a consumer transaction, a secured party may not accept collateral in partial satisfaction of the obligation it secures.

(810 ILCS 5/9-621 new)

Sec. 9-621. Notification of proposal to accept collateral.

(a) Persons to which proposal to be sent. A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

(1) any person from which the secured party has received, before the debtor consented to the acceptance, an authenticated notification of a claim of an interest in the collateral;

(2) any other secured party or lienholder that, 10 days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(A) identified the collateral;

(B) was indexed under the debtor's name as of that date; and

(C) was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and

(3) any other secured party that, 10 days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or

treaty described in Section 9-311(a).

(b) Proposal to be sent to secondary obligor in partial satisfaction. A secured party that desires to accept collateral in partial satisfaction of the obligation it secures shall send its proposal to any secondary obligor in addition to the persons described in subsection (a).

(810 ILCS 5/9-622 new)

Sec. 9-622. Effect of acceptance of collateral.

(a) Effect of acceptance. A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:

(1) discharges the obligation to the extent consented to by the debtor;

(2) transfers to the secured party all of a debtor's rights in the collateral;

(3) discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and

(4) terminates any other subordinate interest.

(b) Discharge of subordinate interest notwithstanding noncompliance. A subordinate interest is discharged or terminated under subsection (a), even if the secured party fails to comply with this Article.

(810 ILCS 5/9-623 new)

Sec. 9-623. Right to redeem collateral.

(a) Persons that may redeem. A debtor, any secondary obligor, or any other secured party or lienholder may redeem collateral.

(b) Requirements for redemption. To redeem collateral, a person shall tender:

(1) fulfillment of all obligations secured by the collateral; and

(2) the reasonable expenses and attorney's fees described in Section 9-615(a)(1).

(c) When redemption may occur. A redemption may occur at any time before a secured party:

(1) has collected collateral under Section 9-607;

(2) has disposed of collateral or entered into a contract for its disposition under Section 9-610; or

(3) has accepted collateral in full or partial satisfaction of the obligation it secures under Section 9-622.

(810 ILCS 5/9-624 new)

Sec. 9-624. Waiver.

(a) Waiver of disposition notification. A debtor or secondary obligor may waive the right to notification of disposition of collateral under Section 9-611 only by an agreement to that effect entered into and authenticated after default.

(b) Waiver of mandatory disposition. A debtor may waive the right to require disposition of collateral under Section 9-620(e) only by an agreement to that effect entered into and authenticated after default.

(c) Waiver of redemption right. A debtor or secondary obligor

may waive the right to redeem collateral under Section 9-623 only by an agreement to that effect entered into and authenticated after default.

(810 ILCS 5/Art. 9, Part 6, Subpart 2 heading new)

SUBPART 2. NONCOMPLIANCE WITH ARTICLE

(810 ILCS 5/9-625 new)

Sec. 9-625. Remedies for secured party's failure to comply with Article.

(a) Judicial orders concerning noncompliance. If it is

[Feb. 24, 2000]

170

established that a secured party is not proceeding in accordance with this Article, a court may order or restrain collection, enforcement, or disposition of collateral on appropriate terms and conditions.

(b) Damages for noncompliance. Subject to subsections (c), (d), and (f), a person is liable for damages in the amount of any loss caused by a failure to comply with this Article. Loss caused by a failure to comply with a request under Section 9-210 may include loss resulting from the debtor's inability to obtain, or increased costs of, alternative financing.

(c) Persons entitled to recover damages; statutory damages in consumer-goods transaction. Except as otherwise provided in Section 9-628:

(1) a person that, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover in an individual action damages under subsection (b) for its loss; and

(2) if the collateral is consumer goods, a person that was a debtor or a secondary obligor at the time a secured party failed to comply with this Part may recover in an individual action for that failure in any event an amount not less than the credit service charge plus 10 percent of the principal amount of the obligation or the time-price differential plus 10 percent of the cash price.

(d) Recovery when deficiency eliminated or reduced. A debtor whose deficiency is eliminated under Section 9-626 may recover damages for the loss of any surplus. However, a debtor or secondary obligor whose deficiency is eliminated or reduced under Section 9-626 may not otherwise recover under subsection (b) for noncompliance with the provisions of this Part relating to collection, enforcement, disposition, or acceptance.

(e) Statutory damages: noncompliance with specified provisions. In addition to any damages recoverable under subsection (b), the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover in an individual action \$500 for each instance that a person:

(1) fails to comply with Section 9-208;

(2) fails to comply with Section 9-209;

(3) files a record that the person is not entitled to file under Section 9-509(a); or

(4) fails to cause the secured party of record to file or send a termination statement as required by Section 9-513(a) or (c).

(f) Statutory damages: noncompliance with Section 9-210. A debtor or consumer obligor may recover damages under subsection (b) and, in addition, may in an individual action recover \$500 in each case from a person that, without reasonable cause, fails to comply with a request under Section 9-210. A recipient of a request under Section 9-210 which never claimed an interest in the collateral or obligations that are the subject of a request under that Section has a reasonable excuse for failure to comply with the request within the meaning of this subsection.

(g) Limitation of security interest: noncompliance with Section 9-210. If a secured party fails to comply with a request regarding a list of collateral or a statement of account under Section 9-210, the secured party may claim a security interest only as shown in the statement included in the request as against a person that is reasonably misled by the failure.

(810 ILCS 5/9-626 new)

Sec. 9-626. Action in which deficiency or surplus is in issue; applicable rules if amount of deficiency or surplus is in issue. In

[Feb. 24, 2000]

171

an action in which the amount of a deficiency or surplus is in issue, the following rules apply:

(1) A secured party need not prove compliance with the provisions of this Part relating to collection, enforcement, disposition, or acceptance unless the debtor or a secondary obligor places the secured party's compliance in issue.

(2) If the secured party's compliance is placed in issue, the secured party has the burden of establishing that the collection, enforcement, disposition, or acceptance was conducted in accordance with this Part.

(3) Except as otherwise provided in Section 9-628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this Part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the sum of the secured obligation, expenses, and attorney's fees exceeds the greater of:

(A) the proceeds of the collection, enforcement, disposition, or acceptance; or

(B) the amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of this Part relating to collection, enforcement, disposition, or acceptance.

(4) For purposes of paragraph (3)(B), the amount of proceeds that would have been realized is equal to the sum of the secured obligation, expenses, and attorney's fees unless the secured party proves that the amount is less than that sum.

(5) If a deficiency or surplus is calculated under Section 9-615(f), the debtor or obligor has the burden of establishing that the amount of proceeds of the disposition is significantly below the range of prices that a complying disposition to a person other than the secured party, a person related to the

secured party, or a secondary obligor would have brought.

(810 ILCS 5/9-627 new)

Sec. 9-627. Determination of whether conduct was commercially reasonable.

(a) Greater amount obtainable under other circumstances; no preclusion of commercial reasonableness. The fact that a greater amount could have been obtained by a collection, enforcement, disposition, or acceptance at a different time or in a different method from that selected by the secured party is not of itself sufficient to preclude the secured party from establishing that the collection, enforcement, disposition, or acceptance was made in a commercially reasonable manner.

(b) Dispositions that are commercially reasonable. A disposition of collateral is made in a commercially reasonable manner if the disposition is made:

(1) in the usual manner on any recognized market;

(2) at the price current in any recognized market at the time of the disposition; or

(3) otherwise in conformity with reasonable commercial practices among dealers in the type of property that was the subject of the disposition.

(c) Approval by court or on behalf of creditors. A collection, enforcement, disposition, or acceptance is commercially reasonable if it has been approved:

(1) in a judicial proceeding;

(2) by a bona fide creditors' committee;

(3) by a representative of creditors; or

[Feb. 24, 2000]

(4) by an assignee for the benefit of creditors.

(d) Approval under subsection (c) not necessary; absence of approval has no effect. Approval under subsection (c) need not be obtained, and lack of approval does not mean that the collection, enforcement, disposition, or acceptance is not commercially reasonable.

(810 ILCS 5/9-628 new)

Sec. 9-628. Nonliability and limitation on liability of secured party; liability of secondary obligor.

(a) Limitation of liability to debtor or obligor. Unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(1) the secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this Article; and

(2) the secured party's failure to comply with this Article does not affect the liability of the person for a deficiency.

(b) Limitation of liability to debtor, obligor, another secured party, or lienholder. A secured party is not liable because of its status as secured party:

(1) to a person that is a debtor or obligor, unless the secured party knows:

(A) that the person is a debtor or obligor;

(B) the identity of the person; and

(C) how to communicate with the person; or
(2) to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

(A) that the person is a debtor; and

(B) the identity of the person.

(c) Limitation of liability if reasonable belief that transaction not a consumer-goods transaction or consumer transaction. A secured party is not liable to any person, and a person's liability for a deficiency is not affected, because of any act or omission arising out of the secured party's reasonable belief that a transaction is not a consumer-goods transaction or a consumer transaction or that goods are not consumer goods, if the secured party's belief is based on its reasonable reliance on:

(1) a debtor's representation concerning the purpose for which collateral was to be used, acquired, or held; or

(2) an obligor's representation concerning the purpose for which a secured obligation was incurred.

(d) Limitation of liability for statutory damages. A secured party is not liable to any person under Section 9-625(c)(2) for its failure to comply with Section 9-616.

(e) Limitation of multiple liability for statutory damages. A secured party is not liable under Section 9-625(c)(2) more than once with respect to any one secured obligation.

(810 ILCS 5/Art. 9, Part 7 heading new)

PART 7. TRANSITION

(810 ILCS 5/9-701 new)

Sec. 9-701. Effective date. (See Section 99 of the Public Act adding this Section to this Act.)

(810 ILCS 5/9-702 new)

Sec. 9-702. Savings clause.

(a) Pre-effective-date transactions or liens. Except as otherwise provided in this Part, this Act applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before the effective date of this amendatory Act of the 91st General Assembly.

[Feb. 24, 2000]

(b) Continuing validity. Except as otherwise provided in subsection (c) and Sections 9-703 through 9-709:

(1) transactions and liens that were not governed by Article 9 as it existed before the effective date of this amendatory Act of the 91st General Assembly, were validly entered into or created before the effective date of this amendatory Act of the 91st General Assembly, and would be subject to this Act if they had been entered into or created after the effective date of this amendatory Act of the 91st General Assembly, and the rights, duties, and interests flowing from those transactions and liens remain valid after the effective date of this amendatory Act of the 91st General Assembly; and

(2) the transactions and liens may be terminated, completed, consummated, and enforced as required or permitted by this Act or by the law that otherwise would apply if this Act had

not taken effect.

(c) Pre-effective-date proceedings. This amendatory Act of the 91st General Assembly does not affect an action, case, or proceeding commenced before the effective date of this amendatory Act of the 91st General Assembly.

(810 ILCS 5/9-703 new)

Sec. 9-703. Security interest perfected before effective date.

(a) Continuing priority over lien creditor: perfection requirements satisfied. A security interest that is enforceable immediately before the effective date of this amendatory Act of the 91st General Assembly and would have priority over the rights of a person that becomes a lien creditor at that time is a perfected security interest under this Act if, on the effective date of this amendatory Act of the 91st General Assembly, the applicable requirements for enforceability and perfection under this Act are satisfied without further action.

(b) Continuing priority over lien creditor: perfection requirements not satisfied. Except as otherwise provided in Section 9-705, if, immediately before the effective date of this amendatory Act of the 91st General Assembly, a security interest is enforceable and would have priority over the rights of a person that becomes a lien creditor at that time, but the applicable requirements for enforceability or perfection under this Act are not satisfied on the effective date of this amendatory Act of the 91st General Assembly, the security interest:

(1) is a perfected security interest for one year after the effective date of this amendatory Act of the 91st General Assembly;

(2) remains enforceable thereafter only if the security interest becomes enforceable under Section 9-203 before the year expires; and

(3) remains perfected thereafter only if the applicable requirements for perfection under this Act are satisfied before the year expires.

(810 ILCS 5/9-704 new)

Sec. 9-704. Security interest unperfected before effective date.

A security interest that is enforceable immediately before the effective date of this amendatory Act of the 91st General Assembly but which would be subordinate to the rights of a person that becomes a lien creditor at that time:

(1) remains an enforceable security interest for one year after the effective date of this amendatory Act of the 91st General Assembly;

(2) remains enforceable thereafter if the security interest becomes enforceable under Section 9-203 on the effective date of

[Feb. 24, 2000]

this amendatory Act of the 91st General Assembly or within one year thereafter; and

(3) becomes perfected:

(A) without further action, on the effective date of this amendatory Act of the 91st General Assembly if the applicable requirements for perfection under this Act are satisfied before

or at that time; or

(B) when the applicable requirements for perfection are satisfied if the requirements are satisfied after that time.

(810 ILCS 5/9-705 new)

Sec. 9-705. Effectiveness of action taken before effective date.

(a) Pre-effective-date action; one-year perfection period unless reperfected. If action, other than the filing of a financing statement, is taken before the effective date of this amendatory Act of the 91st General Assembly and the action would have resulted in priority of a security interest over the rights of a person that becomes a lien creditor had the security interest become enforceable before the effective date of this amendatory Act of the 91st General Assembly, the action is effective to perfect a security interest that attaches under this Act within one year after the effective date of this amendatory Act of the 91st General Assembly. An attached security interest becomes unperfected one year after the effective date of this amendatory Act of the 91st General Assembly unless the security interest becomes a perfected security interest under this Act before the expiration of that period.

(b) Pre-effective-date filing. The filing of a financing statement before the effective date of this amendatory Act of the 91st General Assembly is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this Act.

(c) Pre-effective-date filing in jurisdiction formerly governing perfection. This Act does not render ineffective an effective financing statement that, before the effective date of this amendatory Act of the 91st General Assembly, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in Section 9-103 of the Uniform Commercial Code as it existed before the effective date of this amendatory Act of the 91st General Assembly. However, except as otherwise provided in subsections (d) and (e) and Section 9-706, the financing statement ceases to be effective at the earlier of:

(1) the time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed; or

(2) June 30, 2006.

(d) Continuation statement. The filing of a continuation statement after the effective date of this amendatory Act of the 91st General Assembly does not continue the effectiveness of the financing statement filed before the effective date of this amendatory Act of the 91st General Assembly. However, upon the timely filing of a continuation statement after the effective date of this amendatory Act of the 91st General Assembly and in accordance with the law of the jurisdiction governing perfection as provided in Part 3, the effectiveness of a financing statement filed in the same office in that jurisdiction before the effective date of this amendatory Act of the 91st General Assembly continues for the period provided by the law of that jurisdiction.

(e) Application of subsection (c)(2) to transmitting utility financing statement. Subsection (c)(2) applies to a financing statement that, before the effective date of this amendatory Act of the 91st General Assembly, is filed against a transmitting utility

and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in Section 9-103, as that Section existed before the effective date of this amendatory Act of the 91st General Assembly, only to the extent that Part 3 provides that the law of a jurisdiction other than jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

(f) Application of Part 5. A financing statement that includes a financing statement filed before the effective date of this amendatory Act of the 91st General Assembly and a continuation statement filed after the effective date of this amendatory Act of the 91st General Assembly is effective only to the extent that it satisfies the requirements of Part 5 for an initial financing statement.

(810 ILCS 5/9-706 new)

Sec. 9-706. When initial financing statement suffices to continue effectiveness of financing statement.

(a) Initial financing statement in lieu of continuation statement. The filing of an initial financing statement in the office specified in Section 9-501 continues the effectiveness of a financing statement filed before the effective date of this amendatory Act of the 91st General Assembly if:

(1) the filing of an initial financing statement in that office would be effective to perfect a security interest under this Act;

(2) the pre-effective-date financing statement was filed in an office in another State or another office in this State; and

(3) the initial financing statement satisfies subsection

(c).

(b) Period of continued effectiveness. The filing of an initial financing statement under subsection (a) continues the effectiveness of the pre-effective-date financing statement:

(1) if the initial financing statement is filed before the effective date of this amendatory Act of the 91st General Assembly, for the period provided in Section 9-403 of the Uniform Commercial Code as it existed before the effective date of this amendatory Act of the 91st General Assembly with respect to a financing statement; and

(2) if the initial financing statement is filed after the effective date of this amendatory Act of the 91st General Assembly, for the period provided in Section 9-515 with respect to an initial financing statement.

(c) Requirements for initial financing statement under subsection (a). To be effective for purposes of subsection (a), an initial financing statement must:

(1) satisfy the requirements of Part 5 for an initial financing statement;

(2) identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and

(3) indicate that the pre-effective-date financing

statement remains effective.

(810 ILCS 5/9-707 new)

Sec. 9-707. Amendment of pre-effective-date financing statement.

(a) "Pre-effective-date financing statement". In this Section, "pre-effective-date financing statement" means a financing statement filed before the effective date of this amendatory Act of the 91st

[Feb. 24, 2000]

176

General Assembly.

(b) Applicable law. After the effective date of this amendatory Act of the 91st General Assembly, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in Part 3. However, the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

(c) Method of amending: general rule. Except as otherwise provided in subsection (d), if the law of this State governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended after the effective date of this amendatory Act of the 91st General Assembly only if:

(1) the pre-effective-date financing statement and an amendment are filed in the office specified in Section 9-501;

(2) an amendment is filed in the office specified in Section 9-501 concurrently with, or after the filing in that office of, an initial financing statement that satisfies Section 9-706(c); or

(3) an initial financing statement that provides the information as amended and satisfies Section 9-706(c) is filed in the office specified in Section 9-501.

(d) Method of amending: continuation. If the law of this State governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be continued only under Section 9-705(d) and (f) or Section 9-706.

(e) Method of amending: additional termination rule. Whether or not the law of this State governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement filed in this State may be terminated after the effective date of this amendatory Act of the 91st General Assembly by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies Section 9-706(c) has been filed in the office specified by the law of the jurisdiction governing perfection as provided in Part 3 as the office in which to file a financing statement.

(810 ILCS 5/9-708 new)

Sec. 9-708. Persons entitled to file initial financing statement or continuation statement. A person may file an initial financing statement or a continuation statement under this Part if:

(1) the secured party of record authorizes the filing; and

(2) the filing is necessary under this Part:

(A) to continue the effectiveness of a financing statement filed before the effective date of this amendatory Act of the 91st General Assembly; or

(B) to perfect or continue the perfection of a security interest.

(810 ILCS 5/9-709 new)

Sec. 9-709. Priority.

(a) Law governing priority. This Act determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before the effective date of this amendatory Act of the 91st General Assembly, Article 9 as it existed before the effective date of this amendatory Act of the 91st General Assembly determines priority.

(b) Priority if security interest becomes enforceable under Section 9-203. For purposes of Section 9-322(a), the priority of a

[Feb. 24, 2000]

177

security interest that becomes enforceable under Section 9-203 of this Act dates from the effective date of this amendatory Act of the 91st General Assembly if the security interest is perfected under this Act by the filing of a financing statement before the effective date of this amendatory Act of the 91st General Assembly which would not have been effective to perfect the security interest under Article 9 as it existed before the effective date of this amendatory Act of the 91st General Assembly. This subsection does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

(810 ILCS 5/9-710 new)

Sec. 9-710. Local-filing office responsibilities for filings under the Uniform Commercial Code prior to this amendatory Act of the 91st General Assembly.

(a) In this Section:

(1) "Local-filing office" means a filing office, other than the office of the Secretary of State, that is designated as the proper place to file a financing statement under Section 9-401(1) of the Uniform Commercial Code as in effect immediately before the effective date of this amendatory Act of the 91st General Assembly. The term applies only with respect to a record that covers a type of collateral as to which the filing office is designated in that Section as the proper place to file.

(2) "Former-Article-9 records" means:

(A) financing statements and other records that have been filed in a local-filing office before July 1, 2001, and that are, or upon processing and indexing will be, reflected in the index maintained, as of June 30, 2001, by the local-filing office for financing statements and other records filed in the local filing office before July 1, 2001.

(B) the index as of June 30, 2001.

(b) Except for a record terminating a former-Article-9 record, a local-filing office must not accept for filing a record presented after June 30, 2001, whether or not the record relates to a financing statement filed in the local-filing office before July 1, 2001. If

the record terminating such former-Article-9 record statement is in the standard form prescribed by the Secretary of State, the uniform fee for filing and indexing the termination statement in the office of a county recorder shall be \$5 and otherwise shall be \$10, plus in each case an additional fee of \$5 for each name more than one at each address listed against which the record is required to be indexed.

(c) Until July 1, 2001, each local-filing-office must maintain all former-Article-9 records in accordance with the Uniform Commercial Code as in effect immediately before the effective date of this amendatory Act of the 91st General Assembly. A former-Article-9 record that is not reflected on the index maintained on June 30, 2001, by the local-filing office must be processed and indexed, and reflected on the index as of June 30, 2001, as soon as practicable but in any event no later than July 30, 2001.

(d) Until at least June 30, 2008, each local-filing office must respond to requests for information with respect to former-Article-9 records relating to a debtor and issue certificates, in accordance with the Uniform Commercial Code as in effect immediately before this amendatory Act of the 91st General Assembly. The fees charged for responding to requests for information relating to the debtor issuing the certificates with respect to former-Article-9 records must be the fees in effect under the Uniform Commercial Code as in effect immediately before the effective date of this amendatory Act of the 91st General Assembly on June 30, 2001, unless a different fee is

[Feb. 24, 2000]

178

later set by the local filing office. However, the different fee must not exceed \$10 for responding to a request for information relating to a debtor or \$10 for issuing a certificate.

(e) After June 30, 2008, each local-filing office may remove and destroy, in accordance with any then applicable record retention law of this State, all former-Article-9 records, including the related index.

(f) This Section does not apply, with respect to financing statements and other records, to a filing office in which mortgages or records of mortgages on real property are required to be filed or recorded if:

(1) the collateral is timber to be cut or as-extracted collateral, or

(2) the record is or relates to a financing statement filed as a fixture filing and the collateral is goods that are or are to become fixtures.

PART 99. (BLANK) MISCELLANEOUS ILLINOIS PROVISIONS

(810 ILCS 5/9-9901) (from Ch. 26, par. 9-9901)

Sec. 9-9901. (Blank). Liability of Secretary of State. Neither the Secretary of State nor any of the Secretary of State's employees or agents shall be subject to personal liability by reason of any error or omission in the performance of any duty under this Article except in case of wilful negligence.

(Source: P.A. 87-1047.)

(810 ILCS 5/9-9902) (from Ch. 26, par. 9-9902)

Sec. 9-9902. (Blank). Security interests in crops.

(a) Legislative findings; purpose. The General Assembly finds:

~~(1) it has been the accepted practice between farmers and agricultural lenders for lenders to extend credit with repayment secured by a security interest in crops perfected in accordance with the provisions of this Article;~~

~~(2) in making these loans, it has been the accepted practice of agricultural lenders to rely upon a search of financing statements properly filed in accordance with the provisions of this Article to determine the presence of claims in favor of other lenders;~~

~~(3) recently, this long standing practice and the expectations of agricultural lenders have been negated by court decisions that hold that a mortgagee of real estate who takes possession, during foreclosure proceedings, of mortgaged real estate with unsevered crops has priority over a perfected security interest in crops;~~

~~(4) as a result of these court decisions, the documentation and expenses in connection with prudent agricultural lending practices will significantly increase, creating an undue burden on agricultural lenders;~~

~~(5) the application of these court decisions to the holders of obligations secured by the collateral assignment of beneficial interests in land trusts will result in the creation of claims against crops that agricultural lenders will be unable to discover by public record search;~~

~~(6) these court decisions defeat the legitimate expectations of agricultural lenders, unnecessarily increase the cost of agricultural credit and impede the free flow and availability of agricultural credit, constituting an undue burden on the Illinois farm economy;~~

~~(7) the application of these court decisions to the holders of obligations secured by the collateral assignment of beneficial interests in land trusts will similarly defeat the expectations of agricultural lenders, unnecessarily increase the cost of~~

[Feb. 24, 2000]

~~agricultural credit and impede the free flow and availability of agricultural credit, constituting an undue burden on the Illinois farm economy;~~

~~(8) real estate lenders, frequently dealing with farmers prior to the involvement of other agricultural lenders, in the ordinary course of lending can perfect a security interest in crops in accordance with the provisions of this Article to the extent these lenders are relying on that collateral;~~

~~(9) it is the purpose of this Section to restore an efficient system of searching for the claims of lenders and the protection afforded agricultural lenders by a perfected security interest in crops under this Article, and thereby to foster and encourage the availability of agricultural credit.~~

~~(b) Definitions. In this Section the following meanings apply:~~

~~(1) "Collateral assignment of beneficial interest" means any pledge or assignment of the beneficial interest in a land trust to a person to secure a debt or other obligation.~~

~~(2) "Land trust" means any trust arrangement under which~~

~~the legal and equitable title to real estate is held by a trustee, the interest of the beneficiary of the trust is personal property and the beneficiary or any person designated in writing by the beneficiary has (i) the exclusive power to direct or control the trustee in dealing with the title to the trust property, (ii) the exclusive control of the management, operation, renting, and selling of the trust property, and (iii) the exclusive right to the earnings, avails, and proceeds of the trust property.~~

~~(c) Rights to crops. With respect to any crops growing or to be grown on real estate held in a land trust, the rights of a holder of an obligation secured by a collateral assignment of beneficial interest in the land trust, including rights by virtue of an equitable lien, shall be subject to a security interest properly perfected under this Article.~~

~~(d) Application of Section. This Section applies to the holder of an obligation secured by a collateral assignment of beneficial interest in a land trust who becomes entitled to crops by obtaining possession on or after December 22, 1988.~~

~~(Source: P.A. 87-1047.)~~

Section 10. The Uniform Commercial Code is amended by changing Sections 1-105, 1-201, 2-103, 2-210, 2-326, 2-502, 2-716, 2A-103, 2A-303, 2A-307, 2A-309, 4-210, 7-503, 8-103, 8-106, 8-110, 8-301, 8-302, and 8-510 and by adding Section 5-118 as follows:

(810 ILCS 5/1-105) (from Ch. 26, par. 1-105)

Sec. 1-105. Territorial application of the Act; parties' power to choose applicable law.

(1) Except as provided in this Section, when a transaction bears a reasonable relation to this State and also to another state or nation the parties may agree that the law either of this State or of the other state or nation shall govern their rights and duties. Failing an agreement, this Act applies to transactions bearing an appropriate relation to this State.

(2) Where one of the following provisions of this Act specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of creditors against sold goods. Section 2-402.

Applicability of the Article on Leases. Sections 2A-105 and 2A-106.

Applicability of the Article on Bank Deposits and Collections. Section 4-102.

[Feb. 24, 2000]

Governing law in the Article on Funds Transfers. Section 4A-507.
Letters of Credit. Section 5-116.

Applicability of the Article on Investment Securities. Section 8-110.

Law governing perfection, the effect of perfection or nonperfection, and the priority of security interests and agricultural liens. Sections 9-301 through 9-307.

~~Perfection provisions of the Article on Secured Transactions. Section 9-103.~~

(Source: P.A. 89-364, eff. 1-1-96; 89-534, eff. 1-1-97.)

(810 ILCS 5/1-201) (from Ch. 26, par. 1-201)

Sec. 1-201. General Definitions. Subject to additional definitions contained in the subsequent Articles of this Act which are applicable to specific Articles or Parts thereof, and unless the context otherwise requires, in this Act:

(1) "Action" in the sense of a judicial proceeding includes recoupment, counterclaim, set-off, suit in equity and any other proceedings in which rights are determined.

(2) "Aggrieved party" means a party entitled to resort to a remedy.

(3) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this Act (Sections 1-205, ~~and~~ 2-208, ~~and~~ 2A-207). Whether an agreement has legal consequences is determined by the provisions of this Act, if applicable; otherwise by the law of contracts (Section 1-103). (Compare "Contract".)

(4) "Bank" means any person engaged in the business of banking.

(5) "Bearer" means the person in possession of an instrument, document of title, or certificated security payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods, and includes an airbill. "Airbill" means a document serving for air transportation as a bill of lading does for marine or rail transportation, and includes an air consignment note or air waybill.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" a fact means the burden of persuading the triers of fact that the existence of the fact is more probable than its non-existence.

(9) "Buyer in ordinary course of business" means a person that buys goods who in good faith, and without knowledge that the sale violates to him is in violation of the ownership rights or security interest of another person a third party in the goods, and buys in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind but does not include a pawnbroker. A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person All persons who sell minerals or the like (including oil and gas) at wellhead or minehead shall be deemed to be persons in the business of selling goods of that kind. A buyer in ordinary course of business "Buying" may buy ~~be~~ for cash, ~~or~~ by exchange of other property, or on secured or unsecured credit, and may acquire includes receiving goods or documents of title under a pre-existing contract for sale. Only a buyer that takes possession of the goods or has a right to recover

[Feb. 24, 2000]

the goods from the seller under Article 2 may be a buyer in ordinary course of business. A person that acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt is not a buyer in ordinary course of business. but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(10) "Conspicuous": A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. A printed heading in capitals (as: NON-NEGOTIABLE BILL OF LADING) is conspicuous. Language in the body of a form is "conspicuous" if it is in larger or other contrasting type or color. But in a telegram any stated term is "conspicuous". Whether a term or clause is "conspicuous" or not is for decision by the court.

(11) "Contract" means the total legal obligation which results from the parties' agreement as affected by this Act and any other applicable rules of law. (Compare "Agreement".)

(12) "Creditor" includes a general creditor, a secured creditor, a lien creditor and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity and an executor or administrator of an insolvent debtor's or assignor's estate.

(13) "Defendant" includes a person in the position of defendant in a cross-action or counterclaim.

(14) "Delivery" with respect to instruments, documents of title, chattel paper or certificated securities means voluntary transfer of possession.

(15) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers. To be a document of title a document must purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass.

(16) "Fault" means wrongful act, omission or breach.

(17) "Fungible" with respect to goods or securities means goods or securities of which any unit is, by nature or usage of trade, the equivalent of any other like unit. Goods which are not fungible shall be deemed fungible for the purposes of this Act to the extent that under a particular agreement or document unlike units are treated as equivalents.

(18) "Genuine" means free of forgery or counterfeiting.

(19) "Good faith" means honesty in fact in the conduct or transaction concerned.

(20) "Holder" with respect to a negotiable instrument means the person in possession if the instrument is payable to bearer or, in the case of an instrument payable to an identified person, if the identified person is in possession. "Holder" with respect to a document of title means the person in possession if the goods are deliverable to bearer or to the order of the person in possession.

(21) To "honor" is to pay or accept and pay, or where a credit so engages to purchase or discount a draft complying with the terms of the credit.

(22) "Insolvency proceedings" includes any assignment for the benefit of creditors or other proceedings intended to liquidate or

rehabilitate the estate of the person involved.

(23) A person is "insolvent" who either has ceased to pay his debts in the ordinary course of business or cannot pay his debts as

[Feb. 24, 2000]

182

they become due or is insolvent within the meaning of the federal bankruptcy law.

(24) "Money" means a medium of exchange authorized or adopted by a domestic or foreign government and includes a monetary unit of account established by an intergovernmental organization or by agreement between 2 or more nations.

(25) A person has "notice" of a fact when

(a) he has actual knowledge of it; or

(b) he has received a notice or notification of it; or

(c) from all the facts and circumstances known to him at the time in question he has reason to know that it exists. A person "knows" or has "knowledge" of a fact when he has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this Act.

(26) A person "notifies" or "gives" a notice or notification to another by taking such steps as may be reasonably required to inform the other in ordinary course whether or not such other actually comes to know of it. A person "receives" a notice or notification when

(a) it comes to his attention; or

(b) it is duly delivered at the place of business through which the contract was made or at any other place held out by him as the place for receipt of such communications.

(27) Notice, knowledge or a notice or notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction, and in any event from the time when it would have been brought to his attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of his regular duties or unless he has reason to know of the transaction and that the transaction would be materially affected by the information.

(28) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(29) "Party", as distinct from "third party", means a person who has engaged in a transaction or made an agreement within this Act.

(30) "Person" includes an individual or an organization (see Section 1-102).

(31) "Presumption" or "presumed" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its

non-existence.

(32) "Purchase" includes taking by sale, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift or any other voluntary transaction creating an interest in property.

(33) "Purchaser" means a person who takes by purchase.

(34) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.

(35) "Representative" includes an agent, an officer of a corporation or association, and a trustee, executor or administrator of an estate, or any other person empowered to act for another.

(36) "Rights" includes remedies.

(37) "Security interest" means an interest in personal property

[Feb. 24, 2000]

183

or fixtures which secures payment or performance of an obligation. ~~The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (Section 2-401) is limited in effect to a reservation of a "security interest". The term also includes any interest of a consignor and a buyer of accounts, ~~or~~ chattel paper, a payment intangible, or a promissory note in a transaction that which is subject to Article 9. The special property interest of a buyer of goods on identification of those goods to a contract for sale under Section 2-401 is not a "security interest", but a buyer may also acquire a "security interest", by complying with Article 9. Except as otherwise provided in Section 2-505, the right of a seller or lessor of goods under Article 2 or 2A to retain or acquire possession of the goods is not a "security interest", but a seller or lessor may also acquire a "security interest" by complying with Article 9. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (Section 2-401) is limited in effect to a reservation of a "security interest". Unless a consignment is intended as security, reservation of title thereunder is not a "security interest" but a consignment is in any event subject to the provisions on consignment sales (Section 2-326).~~

Whether a transaction creates a lease or security interest is determined by the facts of each case; however, a transaction creates a security interest if the consideration the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease not subject to termination by the lessee; and

(a) the original term of the lease is equal to or greater than the remaining economic life of the goods;

(b) the lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods;

(c) the lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement; or

(d) the lessee has an option to become the owner of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.

A transaction does not create a security interest merely because it provides that:

(a) the present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into;

(b) the lessee assumes risk of loss of the goods, or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods;

(c) the lessee has an option to renew the lease or to become the owner of the goods;

(d) the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed; or

(e) the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.

For purposes of this subsection (37):

[Feb. 24, 2000]

(x) Additional consideration is not nominal if (i) when the option to renew the lease is granted to the lessee the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed, or (ii) when the option to become the owner of the goods is granted to the lessee the price is stated to be the fair market value of the goods determined at the time the option is to be performed. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised;

(y) "Reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the transaction is entered into; and

(z) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate is not manifestly unreasonable at the time the transaction is entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances as of each case at the time the transaction was entered into.

(38) "Send" in connection with any writing or notice means to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and in the case of an instrument to an address specified thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances. The receipt of any writing or notice within the time at which it would have arrived if

properly sent has the effect of a proper sending.

(39) "Signed" includes any symbol executed or adopted by a party with present intention to authenticate a writing.

(40) "Surety" includes guarantor.

(41) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.

(42) "Term" means that portion of an agreement which relates to a particular matter.

(43) "Unauthorized" signature means one made without actual, implied, or apparent authority and includes a forgery.

(44) "Value". Except as otherwise provided with respect to negotiable instruments and bank collections (Sections 3-303, 4-210, ~~4-208~~ and ~~4-211~~ ~~4-209~~), a person gives "value" for rights if he acquires them:

(a) in return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection; or

(b) as security for or in total or partial satisfaction of a pre-existing claim; or

(c) by accepting delivery pursuant to a pre-existing contract for purchase; or

(d) generally, in return for any consideration sufficient to support a simple contract.

(45) "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

(46) "Written" or "writing" includes printing, typewriting or any other intentional reduction to tangible form.

(Source: P.A. 87-493; 87-582; 87-895; 87-1135.)

(810 ILCS 5/2-103) (from Ch. 26, par. 2-103)

[Feb. 24, 2000]

Sec. 2-103. Definitions and index of definitions.

(1) In this Article unless the context otherwise requires

(a) "Buyer" means a person who buys or contracts to buy goods.

(b) "Good faith" in the case of a merchant means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

(c) "Receipt" of goods means taking physical possession of them.

(d) "Seller" means a person who sells or contracts to sell goods.

(2) Other definitions applying to this Article or to specified Parts thereof, and the sections in which they appear are:

"Acceptance". Section 2--606.

"Banker's credit". Section 2--325.

"Between merchants". Section 2--104.

"Cancellation". Section 2--106(4).

"Commercial unit". Section 2--105.

"Confirmed credit". Section 2--325.

"Conforming to contract". Section 2--106.

"Contract for sale". Section 2--106.

"Cover". Section 2--712.
"Entrusting". Section 2--403.
"Financing agency". Section 2--104.
"Future goods". Section 2--105.
"Goods". Section 2--105.
"Identification". Section 2--501.
"Installment contract". Section 2--612.
"Letter of Credit". Section 2--325.
"Lot". Section 2--105.
"Merchant". Section 2--104.
"Overseas". Section 2--323.
"Person in position of seller". Section 2--707.
"Present sale". Section 2--106.
"Sale". Section 2--106.
"Sale on approval". Section 2--326.
"Sale or return". Section 2--326.
"Termination". Section 2--106.

(3) The following definitions in other Articles apply to this Article:

"Check". Section 3--104.
"Consignee". Section 7--102.
"Consignor". Section 7--102.
"Consumer goods". Section 9-102 ~~9-109~~.
"Dishonor". Section 3-502 ~~3-507~~.
"Draft". Section 3--104.

(4) In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/2-210) (from Ch. 26, par. 2-210)

Sec. 2-210. Delegation of performance; assignment of rights.

(1) A party may perform his duty through a delegate unless otherwise agreed or unless the other party has a substantial interest in having his original promisor perform or control the acts required by the contract. No delegation of performance relieves the party delegating of any duty to perform or any liability for breach.

(2) Except as otherwise provided in Section 9-406, unless otherwise agreed all rights of either seller or buyer can be assigned except where the assignment would materially change the duty of the

[Feb. 24, 2000]

other party, or increase materially the burden or risk imposed on him by his contract, or impair materially his chance of obtaining return performance. A right to damages for breach of the whole contract or a right arising out of the assignor's due performance of his entire obligation can be assigned despite agreement otherwise.

(3) The creation, attachment, perfection, or enforcement of a security interest in the seller's interest under a contract is not a transfer that materially changes the duty of or increases materially the burden or risk imposed on the buyer or impairs materially the buyer's chance of obtaining return performance with the purview of subsection (2) unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the

seller. Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective, but (i) the seller is liable to the buyer for damages caused by the delegation to the extent that the damages could not reasonably be prevented by the buyer, and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the contract for sale or an injunction against enforcement of the security interest or consummation of the enforcement.

(4) (3) Unless the circumstances indicate the contrary a prohibition of assignment of "the contract" is to be construed as barring only the delegation to the assignee of the assignor's performance.

(5) (4) An assignment of "the contract" or of "all my rights under the contract" or an assignment in similar general terms is an assignment of rights and unless the language or the circumstances (as in an assignment for security) indicate the contrary, it is a delegation of performance of the duties of the assignor and its acceptance by the assignee constitutes a promise by him to perform those duties. This promise is enforceable by either the assignor or the other party to the original contract.

(6) (5) The other party may treat any assignment which delegates performance as creating reasonable grounds for insecurity and may without prejudice to his rights against the assignor demand assurances from the assignee (Section 2--609).

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/2-326) (from Ch. 26, par. 2-326)

Sec. 2-326. Sale on approval and sale or return; ~~consignment sales and~~ rights of creditors.

(1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is

(a) a "sale on approval" if the goods are delivered primarily for use, and

(b) a "sale or return" if the goods are delivered primarily for resale.

(2) ~~Except as provided in subsection (3),~~ Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

(3) ~~Where goods are delivered to a person for sale and such person maintains a place of business at which he deals in goods of the kind involved, under a name other than the name of the person making delivery, then with respect to claims of creditors of the person conducting the business the goods are deemed to be on sale or return. The provisions of this subsection are applicable even though an agreement purports to reserve title to the person making delivery until payment or resale or uses such words as "on consignment" or "on memorandum". However, this subsection is not applicable if the person~~

[Feb. 24, 2000]

making delivery

~~(a) complies with an applicable law providing for a consignor's interest or the like to be evidenced by a sign, or~~

~~(b) establishes that the person conducting the business is generally known by his creditors to be substantially engaged in selling the goods of others, or~~

~~(c) complies with the filing provisions of the Article on Secured Transactions (Article 9).~~

~~(4) Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this Article (Section 2--201) and as contradicting the sale aspect of the contract within the provisions of this Article on parol or extrinsic evidence (Section 2--202).~~

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/2-502) (from Ch. 26, par. 2-502)

Sec. 2-502. Buyer's right to goods on seller's insolvency.

(1) Subject to subsections subsection (2) and (3) and even though the goods have not been shipped a buyer who has paid a part or all of the price of goods in which he has a special property under the provisions of the immediately preceding section may on making and keeping good a tender of any unpaid portion of their price recover them from the seller if:

(a) in the case of goods bought for personal, family, or household purposes, the seller repudiates or fails to deliver as required by the contract; or

(b) in all cases, the seller becomes insolvent within 10 days after receipt of the first installment on their price.

(2) The buyer's right to recover the goods under subsection (1)(a) vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

(3) If the identification creating his special property has been made by the buyer he acquires the right to recover the goods only if they conform to the contract for sale.

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/2-716) (from Ch. 26, par. 2-716)

Sec. 2-716. Buyer's right to specific performance or replevin.

(1) Specific performance may be ordered where the goods are unique or in other proper circumstances.

(2) The judgment for specific performance may include such terms and conditions as to payment of the price, damages, or other relief as the court may deem just.

(3) The buyer has a right of replevin for goods identified to the contract if after reasonable effort he is unable to effect cover for such goods or the circumstances reasonably indicate that such effort will be unavailing or if the goods have been shipped under reservation and satisfaction of the security interest in them has been made or tendered. In the case of goods bought for personal, family, or household purposes, the buyer's right of replevin vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

(Source: P.A. 84-545.)

(810 ILCS 5/2A-103) (from Ch. 26, par. 2A-103)

Sec. 2A-103. Definitions and index of definitions.

(1) In this Article unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who, in good faith and without knowledge that the sale to him or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for

cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(b) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(c) "Commercial unit" means such a unit of goods as by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article, as a machine, or a set of articles, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

(d) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(e) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is an individual and who takes under the lease primarily for a personal, family, or household purpose, if the total payments to be made under the lease contract, excluding payments for options to renew or buy, do not exceed \$40,000.

(f) "Fault" means wrongful act, omission, breach, or default.

(g) "Finance lease" means a lease with respect to which:

(i) the lessor does not select, manufacture, or supply the goods;

(ii) the lessor acquires the goods or the right to possession and use of the goods in connection with the lease; and

(iii) one of the following occurs:

(A) the lessee receives a copy of the contract by which the lessor acquired the goods or the right to possession and use of the goods before signing the lease contract;

(B) the lessee's approval of the contract by which the lessor acquired the goods or the right to possession and use of the goods is a condition to effectiveness of the lease contract;

(C) the lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; or

(D) if the lease is not a consumer lease, the lessor, before the lessee signs the lease contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person, (b) that the lessee is entitled under this Article to the promises and warranties, including those of any third party,

[Feb. 24, 2000]

189

provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee may communicate with the person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (Section 2A-309), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

(i) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

(k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this Article. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

(l) "Lease contract" means the total legal obligation that results from the lease agreement as affected by this Article and any other applicable rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

(m) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(n) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

(o) "Lessee in ordinary course of business" means a person

who in good faith and without knowledge that the lease to him or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(p) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

(q) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(r) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the

[Feb. 24, 2000]

190

term does not include a security interest.

(s) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(u) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(w) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(x) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(y) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(z) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(2) Other definitions applying to this Article and the Sections in which they appear are:

"Accessions". Section 2A-310(1).

"Construction mortgage". Section 2A-309(1)(d).

"Encumbrance". Section 2A-309(1)(e).

"Fixtures". Section 2A-309(1)(a).
"Fixture filing". Section 2A-309(1)(b).
"Purchase money lease". Section 2A-309(1)(c).

(3) The following definitions in other Articles apply to this Article:

"Account". Section 9-102(a)(2) ~~9-106~~.
"Between merchants". Section 2-104(3).
"Buyer". Section 2-103(1)(a).
"Chattel paper". Section 9-102(a)(11) ~~9-105(1)(b)~~.
"Consumer goods". Section 9-102(a)(23) ~~9-109(1)~~.
"Document". Section 9-102(a)(30) ~~9-105(1)(f)~~.
"Entrusting". Section 2-403(3).
"General intangible intangibles". Section 9-102(a)(42) ~~9-106~~.
"Good faith". Section 2-103(1)(b).
"Instrument". Section 9-102(a)(47) ~~9-105(1)(i)~~.
"Merchant". Section 2-104(1).
"Mortgage". Section 9-102(a)(55) ~~9-105(1)(j)~~.
"Pursuant to commitment". Section 9-102(a)(68) ~~9-105(1)(k)~~.
"Receipt". Section 2-103(1)(c).
"Sale". Section 2-106(1).
"Sale on approval". Section 2-326.
"Sale or return". Section 2-326.
"Seller". Section 2-103(1)(d).

(4) In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

(Source: P.A. 87-493.)

[Feb. 24, 2000]

(810 ILCS 5/2A-303) (from Ch. 26, par. 2A-303)

Sec. 2A-303. Alienability of party's interest under lease contract or of lessor's residual interest in goods; delegation of performance; transfer of rights.

(1) As used in this Section, "creation of a security interest" includes the sale of a lease contract that is subject to Article 9, Secured Transactions, by reason of Section 9-109(a)(3) ~~9-102(1)(b)~~.

(2) Except as provided in ~~subsection~~ subsections (3) and Section 9-407 ~~(4)~~, a provision in a lease agreement which (i) prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or (ii) makes such a transfer an event of default, gives rise to the rights and remedies provided in subsection (4) ~~(5)~~, but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective.

(3) ~~A provision in a lease agreement which (i) prohibits the creation or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods, or (ii) makes such a transfer an event of default, is not enforceable unless, and then only to the extent that, there is an actual transfer by the lessee of the lessee's right of possession or use of the goods in violation of the provision or an actual~~

~~delegation of a material performance of either party to the lease contract in violation of the provision. Neither the granting nor the enforcement of a security interest in (i) the lessor's interest under the lease contract or (ii) the lessor's residual interest in the goods is a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the lessee within the purview of subsection (5) unless, and then only to the extent that, there is an actual delegation of a material performance of the lessor.~~

~~(4)~~ A provision in a lease agreement which (i) prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or (ii) makes such a transfer an event of default, is not enforceable, and such a transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract within the purview of subsection (4) ~~(5)~~.

(4) ~~(5)~~ Subject to subsection ~~subsections~~ (3) and Section 9-407 ~~(4)~~:

(a) if a transfer is made which is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in Section 2A-501(2);

(b) if paragraph (a) is not applicable and if a transfer is made that (i) is prohibited under a lease agreement or (ii) materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden of risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, (i) the transferor is liable to the party not making the transfer for damages caused by the transfer to the

[Feb. 24, 2000]

extent that the damages could not reasonably be prevented by the party not making the transfer and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

(5) ~~(6)~~ A transfer of "the lease" or of "all my rights under the lease", or a transfer in similar general terms, is a transfer of rights and, unless the language or the circumstances, as in a transfer for security, indicate the contrary, the transfer is a delegation of duties by the transferor to the transferee. Acceptance by the transferee constitutes a promise by the transferee to perform those duties. The promise is enforceable by either the transferor or the other party to the lease contract.

(6) ~~(7)~~ Unless otherwise agreed by the lessor and the lessee, a delegation of performance does not relieve the transferor as against

the other party of any duty to perform or of any liability for default.

(7) ~~(8)~~ In a consumer lease, to prohibit the transfer of an interest of a party under the lease contract or to make a transfer an event of default, the language must be specific, by a writing, and conspicuous.

(Source: P.A. 87-493.)

(810 ILCS 5/2A-307) (from Ch. 26, par. 2A-307)

Sec. 2A-307. Priority of liens arising by attachment or levy on, security interests in, and other claims to goods.

(1) Except as otherwise provided in Section 2A-306, a creditor of a lessee takes subject to the lease contract.

(2) Except as otherwise provided in subsection ~~subsections~~ (3) ~~and (4)~~ and in Sections 2A-306 and 2A-308, a creditor of a lessor takes subject to the lease contract unless: ~~(a) the creditor holds a lien that attached to the goods before the lease contract became enforceable,~~

~~(b) the creditor holds a security interest in the goods and the lessee did not give value and receive delivery of the goods without knowledge of the security interest; or~~

~~(c) the creditor holds a security interest in the goods which was perfected (Section 9-303) before the lease contract became enforceable.~~

(3) Except as otherwise provided in Sections 9-317, 9-321, and 9-323, a lessee takes a leasehold interest subject to a security interest held by a creditor of the lessor. A lessee in the ordinary course of business takes the leasehold interest free of a security interest in the goods created by the lessor even though the security interest is perfected (Section 9-303) and the lessee knows of its existence.

~~(4) A lessee other than a lessee in the ordinary course of business takes the leasehold interest free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the lease or more than 45 days after the lease contract becomes enforceable, whichever first occurs, unless the future advances are made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the 45-day period.~~

(Source: P.A. 87-493.)

(810 ILCS 5/2A-309) (from Ch. 26, par. 2A-309)

Sec. 2A-309. Lessor's and lessee's rights when goods become fixtures.

(1) In this Section:

(a) goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real

[Feb. 24, 2000]

estate law;

(b) a "fixture filing" is the filing, in the office where a mortgage on the real estate would be filed or recorded, of a financing statement covering goods that are or are to become fixtures and conforming to the requirements of Section 9-502(a) and (b) 9-402(5);

(c) a lease is a "purchase money lease" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

(d) a mortgage is a "construction mortgage" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

(e) "encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(2) Under this Article a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this Article of ordinary building materials incorporated into an improvement on land.

(3) This Article does not prevent creation of a lease of fixtures pursuant to real estate law.

(4) The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

(a) the lease is a purchase money lease, the conflicting interest of the encumbrancer or owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within 10 days thereafter, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

(b) the interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

(5) The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

(a) the fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

(b) the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

(c) the encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

(d) the lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

(6) Notwithstanding subsection (4)(a) but otherwise subject to subsections (4) and (5), the interest of a lessor of fixtures, including the lessor's residual interest, is subordinate to the conflicting interest of an encumbrancer of the real estate under a

construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

(7) In cases not within the preceding subsections, priority between the interest of a lessor of fixtures, including the lessor's residual interest, and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

(8) If the interest of a lessor of fixtures, including the lessor's residual interest, has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may (i) on default, expiration, termination, or cancellation of the lease agreement but subject to the lease agreement and this Article, or (ii) if necessary to enforce other rights and remedies of the lessor or lessee under this Article, remove the goods from the real estate, free and clear of all conflicting interests of all owners and encumbrancers of the real estate, but the lessor or lessee must reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

(9) Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures, including the lessor's residual interest, is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the Article on Secured Transactions (Article 9).

(Source: P.A. 87-493.)

(810 ILCS 5/4-210) (from Ch. 26, par. 4-210)

Sec. 4-210. Security interest of collecting bank in items, accompanying documents and proceeds.

(a) A collecting bank has a security interest in an item and any accompanying documents or the proceeds of either:

(1) in case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

(2) in case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given, whether or not the credit is drawn upon or there is a right of charge-back; or

(3) if it makes an advance on or against the item.

(b) If credit given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents or the proceeds of either. For the purpose of this Section, credits first given are first withdrawn.

(c) Receipt by a collecting bank of a final settlement for an

item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to Article 9, but:

[Feb. 24, 2000]

195

(1) no security agreement is necessary to make the security interest enforceable Section 9-203(b)(3)(A) ~~9-203(1)(a)~~;

(2) no filing is required to perfect the security interest; and

(3) the security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

(Source: P.A. 87-582; 87-1135.)

(810 ILCS 5/5-118 new)

Sec. 5-118. Security interest of issuer or nominated person.

(a) An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation.

(b) So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (a), the security interest continues and is subject to Article 9, but:

(1) a security agreement is not necessary to make the security interest enforceable under Section 9-203(b)(3);

(2) if the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

(3) if the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document.

(810 ILCS 5/7-503) (from Ch. 26, par. 7-503)

Sec. 7-503. Document of title to goods defeated in certain cases.

(1) A document of title confers no right in goods against a person who before issuance of the document had a legal interest or a perfected security interest in them and who neither

(a) delivered or entrusted them or any document of title covering them to the bailor or his nominee with actual or apparent authority to ship, store, or sell with power to obtain delivery under this Article (Section 7--403) or with power of disposition under this Act (Sections 2--403 and 9-320 ~~9-307~~) or other statute or rule of law; nor

(b) acquiesced in the procurement by the bailor or his nominee of any document of title.

(2) Title to goods based upon an unaccepted delivery order is

subject to the rights of anyone to whom a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. Such a title may be defeated under the next section to the same extent as the right of the issuer or a transferee from the issuer.

(3) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of anyone to whom a bill issued by the freight forwarder is duly negotiated; but delivery by the carrier in accordance with Part 4 of this Article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

(Source: Laws 1961, p. 2101.)

(810 ILCS 5/8-103) (from Ch. 26, par. 8-103)

Sec. 8-103. Rules for determining whether certain obligations and interests are securities or financial assets.

(a) A share or similar equity interest issued by a corporation,

[Feb. 24, 2000]

196

business trust, joint stock company, or similar entity is a security.

(b) An "investment company security" is a security. "Investment company security" means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.

(c) An interest in a partnership or limited liability company is not a security unless it is dealt in or traded on securities exchanges or in securities markets, its terms expressly provide that it is a security governed by this Article, or it is an investment company security. However, an interest in a partnership or limited liability company is a financial asset if it is held in a securities account.

(d) A writing that is a security certificate is governed by this Article and not by Article 3, even though it also meets the requirements of that Article. However, a negotiable instrument governed by Article 3 is a financial asset if it is held in a securities account.

(e) An option or similar obligation issued by a clearing corporation to its participants is not a security, but is a financial asset.

(f) A commodity contract, as defined in Section 9-102(a)(15) ~~9-115~~, is not a security or a financial asset.

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/8-106) (from Ch. 26, par. 8-106)

Sec. 8-106. Control.

(a) A purchaser has "control" of a certificated security in bearer form if the certificated security is delivered to the purchaser.

(b) A purchaser has "control" of a certificated security in registered form if the certificated security is delivered to the purchaser, and:

(1) the certificate is indorsed to the purchaser or in

blank by an effective indorsement; or

(2) the certificate is registered in the name of the purchaser, upon original issue or registration of transfer by the issuer.

(c) A purchaser has "control" of an uncertificated security if:

(1) the uncertificated security is delivered to the purchaser; ~~or~~

(2) the issuer has agreed that it will comply with instructions originated by the purchaser without further consent by the registered owner; or

(3) another person has control of the security entitlement on behalf of the purchaser or, having previously acquired control of the security entitlement, acknowledges that it has control on behalf of the purchaser.

(d) A purchaser has "control" of a security entitlement if:

(1) the purchaser becomes the entitlement holder; or

(2) the securities intermediary has agreed that it will comply with entitlement orders originated by the purchaser without further consent by the entitlement holder.

(e) If an interest in a security entitlement is granted by the entitlement holder to the entitlement holder's own securities intermediary, the securities intermediary has control.

(f) A purchaser who has satisfied the requirements of subsection (c)~~(2)~~ or (d)~~(2)~~ has control even if the registered owner in the case

[Feb. 24, 2000]

of subsection (c)~~(2)~~ or the entitlement holder in the case of subsection (d)~~(2)~~ retains the right to make substitutions for the uncertificated security or security entitlement, to originate instructions or entitlement orders to the issuer or securities intermediary, or otherwise to deal with the uncertificated security or security entitlement.

(g) An issuer or a securities intermediary may not enter into an agreement of the kind described in subsection (c)(2) or (d)(2) without the consent of the registered owner or entitlement holder, but an issuer or a securities intermediary is not required to enter into such an agreement even though the registered owner or entitlement holder so directs. An issuer or securities intermediary that has entered into such an agreement is not required to confirm the existence of the agreement to another party unless requested to do so by the registered owner or entitlement holder.

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/8-110)

Sec. 8-110. Applicability; choice of law.

(a) The local law of the issuer's jurisdiction, as specified in subsection (d), governs:

(1) the validity of a security;

(2) the rights and duties of the issuer with respect to registration of transfer;

(3) the effectiveness of registration of transfer by the issuer;

(4) whether the issuer owes any duties to an adverse claimant to a security; and

(5) whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security.

(b) The local law of the securities intermediary's jurisdiction, as specified in subsection (e), governs:

(1) acquisition of a security entitlement from the securities intermediary;

(2) the rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;

(3) whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and

(4) whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.

(c) The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered.

(d) "Issuer's jurisdiction" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of that jurisdiction, the law of another jurisdiction specified by the issuer. An issuer organized under the law of this State may specify the law of another jurisdiction as the law governing the matters specified in subsection (a)(2) through (5).

(e) The following rules determine a "securities intermediary's jurisdiction" for purposes of this Section:

(1) If an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this Part, this Article, or this Act ~~specifies that it is governed by the law of~~

[Feb. 24, 2000]

~~a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.~~

(2) If paragraph (1) does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) applies and an agreement between the securities intermediary and its entitlement holder governing the securities account ~~does not specify the governing law as provided in paragraph (1), but expressly provides~~ specifies that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

(4) ~~(3)~~ If none of the preceding paragraphs applies an agreement between the securities intermediary and its entitlement holder does not specify a jurisdiction as provided in paragraph (1) or (2), the securities intermediary's jurisdiction is the

jurisdiction in which ~~is located~~ the office identified in an account statement as the office serving the entitlement holder's account is located.

~~(5) (4) If none of the preceding paragraphs applies, an agreement between the securities intermediary and its entitlement holder does not specify a jurisdiction as provided in paragraph (1) or (2) and an account statement does not identify an office serving the entitlement holder's account as provided in paragraph (3),~~ the securities intermediary's jurisdiction is the jurisdiction in which ~~is located~~ the chief executive office of the securities intermediary is located.

(f) A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other record keeping concerning the account.

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/8-301) (from Ch. 26, par. 8-301)

Sec. 8-301. Delivery.

(a) Delivery of a certificated security to a purchaser occurs when:

(1) the purchaser acquires possession of the security certificate;

(2) another person, other than a securities intermediary, either acquires possession of the security certificate on behalf of the purchaser or, having previously acquired possession of the certificate, acknowledges that it holds for the purchaser; or

(3) a securities intermediary acting on behalf of the purchaser acquires possession of the security certificate, only if the certificate is in registered form and is (i) registered in the name of the purchaser, (ii) payable to the order of the purchaser, or (iii) has been specially indorsed to the purchaser by an effective indorsement and has not been indorsed to the securities intermediary or in blank.

(b) Delivery of an uncertificated security to a purchaser occurs when:

(1) the issuer registers the purchaser as the registered owner, upon original issue or registration of transfer; or

(2) another person, other than a securities intermediary, either becomes the registered owner of the uncertificated security on behalf of the purchaser or, having previously become

[Feb. 24, 2000]

the registered owner, acknowledges that it holds for the purchaser.

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/8-302) (from Ch. 26, par. 8-302)

Sec. 8-302. Rights of purchaser.

(a) Except as otherwise provided in subsections (b) and (c), ~~upon delivery of a certificated or uncertificated security to a purchaser, the purchaser~~ acquires all rights in the security that the transferor had or had power to transfer.

(b) A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

(c) A purchaser of a certificated security who as a previous holder had notice of an adverse claim does not improve its position by taking from a protected purchaser.

(Source: P.A. 89-364, eff. 1-1-96.)

(810 ILCS 5/8-510)

Sec. 8-510. Rights of purchaser of security entitlement from entitlement holder.

(a) In a case not covered by the priority rules in Article 9 or the rules stated in subsection (c), an action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gives value, does not have notice of the adverse claim, and obtains control.

(b) If an adverse claim could not have been asserted against an entitlement holder under Section 8-502, the adverse claim cannot be asserted against a person who purchases a security entitlement, or an interest therein, from the entitlement holder.

(c) In a case not covered by the priority rules in Article 9, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Except as otherwise provided in subsection (d), purchasers who have control rank according to priority in time of:

(1) the purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under Section 8-106(d)(1);

(2) the securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under Section 8-106(d)(2); or

(3) if the purchaser obtained control through another person under Section 8-106(d)(3), the time on which priority would be based under this subsection if the other person were the secured party.

(d) A purchaser, equally, except that a securities intermediary as purchaser has priority over a conflicting purchaser who has control unless otherwise agreed by the securities intermediary.

(Source: P.A. 89-364, eff. 1-1-96.)

Section 15. The Local Records Act is amended by changing Section 14 as follows:

(50 ILCS 205/14) (from Ch. 116, par. 43.114)

Sec. 14. Part ~~5~~ 4 of Article 9 of the "Uniform Commercial Code", ~~approved July 31, 1961, as amended,~~ is subject to the provisions of this Act, ~~as now or hereafter amended.~~

(Source: P.A. 76-1708.)

[Feb. 24, 2000]

Section 20. The Counties Code is amended by changing Section 3-5018 as follows:

(55 ILCS 5/3-5018) (from Ch. 34, par. 3-5018)

Sec. 3-5018. Fees. The recorder elected as provided for in this Division shall receive such fees as are or may be provided for him by law, in case of provision therefor: otherwise he shall receive the same fees as are or may be provided in this Section, except when increased by county ordinance pursuant to the provisions of this Section, to be paid to the county clerk for his services in the office of recorder for like services. ~~No filing fee shall be charged for providing informational copies of financing statements to the recorder pursuant to subsection (8) of Section 9-403 of the Uniform Commercial Code.~~

For recording deeds or other instruments \$12 for the first 4 pages thereof, plus \$1 for each additional page thereof, plus \$1 for each additional document number therein noted. The aggregate minimum fee for recording any one instrument shall not be less than \$12.

For recording deeds or other instruments wherein the premises affected thereby are referred to by document number and not by legal description a fee of \$1 in addition to that hereinabove referred to for each document number therein noted.

For recording assignments of mortgages, leases or liens \$12 for the first 4 pages thereof, plus \$1 for each additional page thereof. However, except for leases and liens pertaining to oil, gas and other minerals, whenever a mortgage, lease or lien assignment assigns more than one mortgage, lease or lien document, a \$7 fee shall be charged for the recording of each such mortgage, lease or lien document after the first one.

For recording maps or plats of additions or subdivisions approved by the county or municipality (including the spreading of the same of record in map case or other proper books) or plats of condominiums \$50 for the first page, plus \$1 for each additional page thereof except that in the case of recording a single page, legal size 8 1/2 x 14, plat of survey in which there are no more than two lots or parcels of land, the fee shall be \$12. In each county where such maps or plats are to be recorded, the recorder may require the same to be accompanied by such number of exact, true and legible copies thereof as the recorder deems necessary for the efficient conduct and operation of his office.

For certified copies of records the same fees as for recording, but in no case shall the fee for a certified copy of a map or plat of an addition, subdivision or otherwise exceed \$10.

Each certificate of such recorder of the recording of the deed or other writing and of the date of recording the same signed by such recorder, shall be sufficient evidence of the recording thereof, and such certificate including the indexing of record, shall be furnished upon the payment of the fee for recording the instrument, and no additional fee shall be allowed for the certificate or indexing.

The recorder shall charge an additional fee, in an amount equal to the fee otherwise provided by law, for recording a document (other than a document filed under the Plat Act or the Uniform Commercial Code) that does not conform to the following standards:

(1) The document shall consist of one or more individual sheets measuring 8.5 inches by 11 inches, not permanently bound and not a continuous form. Graphic displays accompanying a document to be recorded that measure up to 11 inches by 17 inches shall be recorded without charging an additional fee.

(2) The document shall be legibly printed in black ink, by hand, type, or computer. Signatures and dates may be in contrasting colors if they will reproduce clearly.

[Feb. 24, 2000]

201

(3) The document shall be on white paper of not less than 20-pound weight and shall have a clean margin of at least one-half inch on the top, the bottom, and each side. Margins may be used for non-essential notations that will not affect the validity of the document, including but not limited to form numbers, page numbers, and customer notations.

(4) The first page of the document shall contain a blank space, measuring at least 3 inches by 5 inches, from the upper right corner.

(5) The document shall not have any attachment stapled or otherwise affixed to any page.

A document that does not conform to these standards shall not be recorded except upon payment of the additional fee required under this paragraph. This paragraph, as amended by this amendatory Act of 1995, applies only to documents dated after the effective date of this amendatory Act of 1995.

The county board of any county may provide for an additional charge of \$3 for filing every instrument, paper, or notice for record, in order to defray the cost of converting the county recorder's document storage system to computers or micrographics.

A special fund shall be set up by the treasurer of the county and such funds collected pursuant to Public Act 83-1321 shall be used solely for a document storage system to provide the equipment, materials and necessary expenses incurred to help defray the costs of implementing and maintaining such a document records system.

The foregoing fees allowed by this Section are the maximum fees that may be collected from any officer, agency, department or other instrumentality of the State. The county board may, however, by ordinance, increase the fees allowed by this Section and collect such increased fees from all persons and entities other than officers, agencies, departments and other instrumentalities of the State if the increase is justified by an acceptable cost study showing that the fees allowed by this Section are not sufficient to cover the cost of providing the service.

A statement of the costs of providing each service, program and activity shall be prepared by the county board. All supporting documents shall be public record and subject to public examination and audit. All direct and indirect costs, as defined in the United States Office of Management and Budget Circular A-87, may be included in the determination of the costs of each service, program and activity.

(Source: P.A. 89-160, eff. 7-19-95; 90-300, eff. 1-1-98.)

Section 25. The Public Utilities Act is amended by changing Section 18-107 as follows:

(220 ILCS 5/18-107)

Sec. 18-107. Security interests in intangible transition property and grantee instruments.

(a) Notwithstanding any other provision of law, neither

intangible transition property, grantee instruments nor any right, title or interest therein, shall constitute property in which a security interest may be created under the Uniform Commercial Code nor shall any such rights be deemed proceeds of any property which is not intangible transition property or grantee instruments, as the case may be. For purposes of the foregoing, the terms "account", ~~and "general intangible", (as defined under Section 9-106 of the Uniform Commercial Code) and the term "instrument", and "payment intangible"~~ (as defined under Section ~~9-102 9-105~~ of the Uniform Commercial Code) shall, as used in the Uniform Commercial Code, be deemed to exclude any such intangible transition property, grantee instruments or any right, title, or interest therein.

[Feb. 24, 2000]

202

(b) The granting, perfection and enforcement of security interests in intangible transition property or grantee instruments are governed by this Section rather than by Article 9 of the Uniform Commercial Code.

(c) A valid and enforceable security interest in intangible transition property and in grantee instruments shall attach and be perfected only by the means set forth below in this subsection (c) of Section 18-107:

(1) To the extent transitional funding instruments or grantee instruments are purported to be secured by intangible transition property or to the extent transitional funding instruments are purported to be secured by grantee instruments, as the case may be, as specified in the applicable transitional funding order, the lien of the transitional funding instruments and grantee instruments, if any, shall attach automatically to such intangible transition property and grantee instruments, if any, from the time of issuance of the transitional funding instruments and grantee instruments, if any. Such lien shall be a valid and enforceable security interest in the intangible transition property or the grantee instruments, as the case may be, securing the transitional funding instruments and grantee instruments, if any, and shall be continuously perfected if, before the date of issuance of the applicable transitional funding instruments or grantee instruments, if any, or within no more than 10 days thereafter, a filing has been made by or on behalf of the holder with the Chief Clerk of the Commission stating that such transitional funding instruments or grantee instruments, if any, have been issued. Any such filing made with the Commission in respect to such transitional funding instruments or grantee instruments shall take precedence over any subsequent filing except as may otherwise be provided in the applicable transitional funding order.

(2) The liens under subparagraph (1) are enforceable against the electric utility, any assignee, grantee or issuer, and all third parties, including judicial lien creditors, subject only to the rights of any third parties holding security interests in the intangible transition property or grantee instruments previously perfected in the manner described in this subsection if value has been given by the purchasers of

transitional funding instruments or grantee instruments. A perfected lien in intangible transition property and grantee instruments, if any, is a continuously perfected security interest in all then existing or thereafter arising revenues and proceeds arising with respect to the associated intangible transition property or grantee instruments, as the case may be, whether or not the electric power and energy included in the calculation of such revenues and proceeds have been provided. The lien created under this subsection is perfected and ranks prior to any other lien, including any judicial lien, which subsequently attaches to the intangible transition property or grantee instruments, as the case may be, and to any other rights created by the transitional funding order or any revenues or proceeds of the foregoing. The relative priority of a lien created under this subsection is not defeated or adversely affected by changes to the transitional funding order or to the instrument funding charges payable by any retail customer, class of retail customers or other person or group of persons obligated to pay such charges.

(3) The relative priority of a lien created under this subsection is not defeated or adversely affected by the

[Feb. 24, 2000]

commingling of revenues arising with respect to intangible transition property or grantee instruments with funds of the electric utility or other funds of the assignee, issuer or grantee.

(4) If an event of default occurs under transitional funding instruments or grantee instruments, the holders thereof or their authorized representatives, as secured parties, may foreclose or otherwise enforce the lien in the grantee instruments or in the intangible transition property securing the transitional funding instruments or grantee instruments, as applicable, subject to the rights of any third parties holding prior security interests in the intangible transition property or grantee instruments previously perfected in the manner provided in this subsection. Upon application by the holders or their authorized representatives, without limiting their other remedies, the Commission shall order the sequestration and payment to the holders or their authorized representatives of revenues arising with respect to the intangible transition property or grantee instruments pledged to the holders. An order under this subsection shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the electric utility, grantee, assignee or issuer.

(5) The Commission shall maintain segregated records which reflect the date and time of receipt of all filings made under this subsection. The Commission may provide that transfers of intangible transition property or of grantee instruments be filed in accordance with the same system.

(Source: P.A. 90-561, eff. 12-16-97.)

Section 30. The Illinois Vehicle Code is amended by changing

Section 3-114 as follows:

(625 ILCS 5/3-114) (from Ch. 95 1/2, par. 3-114)

Sec. 3-114. Transfer by operation of law.

(a) If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in paragraph (b), promptly mail or deliver within 20 days to the Secretary of State the last certificate of title, if available, proof of the transfer, and his application for a new certificate in the form the Secretary of State prescribes. It shall be unlawful for any person having possession of a certificate of title for a motor vehicle, semi-trailer, or house car by reason of his having a lien or encumbrance on such vehicle, to fail or refuse to deliver such certificate to the owner, upon the satisfaction or discharge of the lien or encumbrance, indicated upon such certificate of title.

(b) If the interest of an owner in a vehicle passes to another under the provisions of the Small Estates provisions of the Probate Act of 1975 the transferee shall promptly mail or deliver to the Secretary of State, within 120 days, the last certificate of title, if available, the documentation required under the provisions of the Probate Act of 1975, and an application for certificate of title. The Small Estate Affidavit form shall be furnished by the Secretary of State. The transfer may be to the transferee or to the nominee of the transferee.

(c) If the interest of an owner in a vehicle passes to another under other provisions of the Probate Act of 1975, as amended, and the transfer is made by a representative or guardian, such transferee shall promptly mail or deliver to the Secretary of State, the last certificate of title, if available, and a certified copy of the letters of office or guardianship, and an application for certificate of title. Such application shall be made before the estate is closed.

[Feb. 24, 2000]

The transfer may be to the transferee or to the nominee of the transferee.

(d) If the interest of an owner in joint tenancy passes to the other joint tenant with survivorship rights as provided by law, the transferee shall promptly mail or deliver to the Secretary of State, the last certificate of title, if available, proof of death of the one joint tenant and survivorship of the surviving joint tenant, and an application for certificate of title. Such application shall be made within 120 days after the death of the joint tenant. The transfer may be to the transferee or to the nominee of the transferee.

(e) The Secretary of State shall transfer a decedent's vehicle title to any legatee, representative or heir of the decedent who submits to the Secretary a death certificate and an affidavit by an attorney at law on the letterhead stationery of the attorney at law stating the facts of the transfer.

(f) Repossession with assignment of title. In all cases wherein a lienholder has repossessed a vehicle by other than judicial process and holds it for resale under a security agreement, and the owner of record has executed an assignment of the existing certificate of title after default, the lienholder may proceed to sell or otherwise

dispose of the vehicle as authorized under the Uniform Commercial Code. Upon selling the vehicle to another person, the lienholder need not send the certificate of title to the Secretary of State, but shall promptly and within 20 days mail or deliver to the purchaser as transferee the existing certificate of title for the repossessed vehicle, reflecting the release of the lienholder's security interest in the vehicle. The application for a certificate of title made by the purchaser shall comply with subsection (a) of Section 3-104 and be accompanied by the existing certificate of title for the repossessed vehicle. The lienholder shall execute the assignment and warranty of title showing the name and address of the purchaser in the spaces provided therefor on the certificate of title or as the Secretary of State prescribes. The lienholder shall complete the assignment of title in the certificate of title to reflect the transfer of the vehicle to the lienholder and also a reassignment to reflect the transfer from the lienholder to the purchaser. For this purpose, the lienholder is specifically authorized to complete and execute the space reserved in the certificate of title for a dealer reassignment, notwithstanding that the lienholder is not a licensed dealer. Nothing herein shall be construed to mean that the lienholder is taking title to the repossessed vehicle for purposes of liability for retailer occupation, vehicle use, or other tax with respect to the proceeds from the repossession sale. Delivery of the existing certificate of title to the purchaser shall be deemed disclosure to the purchaser of the owner of the vehicle.

(f-5) Repossession without assignment of title. In all cases wherein a lienholder has repossessed a vehicle by other than judicial process and holds it for resale under a security agreement, and the owner of record has not executed an assignment of the existing certificate of title, the lienholder shall comply with the following provisions:

(1) Prior to sale, the lienholder shall deliver or mail to the owner at the owner's last known address and to any other lienholder of record, a notice of redemption setting forth the following information: (i) the name of the owner of record and in bold type at or near the top of the notice a statement that the owner's vehicle was repossessed on a specified date for failure to make payments on the loan (or other reason), (ii) a description of the vehicle subject to the lien sufficient to

[Feb. 24, 2000]

identify it, (iii) the right of the owner to redeem the vehicle, (iv) the lienholder's intent to sell or otherwise dispose of the vehicle after the expiration of 21 days from the date of mailing or delivery of the notice, and (v) the name, address, and telephone number of the lienholder from whom information may be obtained concerning the amount due to redeem the vehicle and from whom the vehicle may be redeemed under Section 9-623 ~~9-506~~ of the Uniform Commercial Code. At the lienholder's option, the information required to be set forth in this notice of redemption may be made a part of or accompany the notification of sale or other disposition required under ~~subsection (3) of Section 9-611~~ ~~9-504~~ of the Uniform Commercial Code, but none of the information

required by this notice shall be construed to impose any requirement under Article 9 of the Uniform Commercial Code.

(2) With respect to the repossession of a vehicle used primarily for personal, family, or household purposes, the lienholder shall also deliver or mail to the owner at the owner's last known address an affidavit of defense. The affidavit of defense shall accompany the notice of redemption required in subdivision (f-5)(1) of this Section. The affidavit of defense shall (i) identify the lienholder, owner, and the vehicle; (ii) provide space for the owner to state the defense claimed by the owner; and (iii) include an acknowledgment by the owner that the owner may be liable to the lienholder for fees, charges, and costs incurred by the lienholder in establishing the insufficiency or invalidity of the owner's defense. To stop the transfer of title, the affidavit of defense must be received by the lienholder no later than 21 days after the date of mailing or delivery of the notice required in subdivision (f-5)(1) of this Section. If the lienholder receives the affidavit from the owner in a timely manner, the lienholder must apply to a court of competent jurisdiction to determine if the lienholder is entitled to possession of the vehicle.

(3) Upon selling the vehicle to another person, the lienholder need not send the certificate of title to the Secretary of State, but shall promptly and within 20 days mail or deliver to the purchaser as transferee (i) the existing certificate of title for the repossessed vehicle, reflecting the release of the lienholder's security interest in the vehicle; and (ii) an affidavit of repossession made by or on behalf of the lienholder which provides the following information: that the vehicle was repossessed, a description of the vehicle sufficient to identify it, whether the vehicle has been damaged in excess of 33 1/3% of its fair market value as required under subdivision (b)(3) of Section 3-117.1, that the owner and any other lienholder of record were given the notice required in subdivision (f-5)(1) of this Section, that the owner of record was given the affidavit of defense required in subdivision (f-5)(2) of this Section, that the interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement, and the purchaser's name and address. If the vehicle is damaged in excess of 33 1/3% of its fair market value, the lienholder shall make application for a salvage certificate under Section 3-117.1 and transfer the vehicle to a person eligible to receive assignments of salvage certificates identified in Section 3-118.

(4) The application for a certificate of title made by the purchaser shall comply with subsection (a) of Section 3-104 and be accompanied by the affidavit of repossession furnished by the lienholder and the existing certificate of title for the

[Feb. 24, 2000]

repossessed vehicle. The lienholder shall execute the assignment and warranty of title showing the name and address of the purchaser in the spaces provided therefor on the certificate of

title or as the Secretary of State prescribes. The lienholder shall complete the assignment of title in the certificate of title to reflect the transfer of the vehicle to the lienholder and also a reassignment to reflect the transfer from the lienholder to the purchaser. For this purpose, the lienholder is specifically authorized to execute the assignment on behalf of the owner as seller if the owner has not done so and to complete and execute the space reserved in the certificate of title for a dealer reassignment, notwithstanding that the lienholder is not a licensed dealer. Nothing herein shall be construed to mean that the lienholder is taking title to the repossessed vehicle for purposes of liability for retailer occupation, vehicle use, or other tax with respect to the proceeds from the repossession sale. Delivery of the existing certificate of title to the purchaser shall be deemed disclosure to the purchaser of the owner of the vehicle. In the event the lienholder does not hold the certificate of title for the repossessed vehicle, the lienholder shall make application for and may obtain a new certificate of title in the name of the lienholder upon furnishing information satisfactory to the Secretary of State. Upon receiving the new certificate of title, the lienholder may proceed with the sale described in subdivision (f-5)(3), except that upon selling the vehicle the lienholder shall promptly and within 20 days mail or deliver to the purchaser the new certificate of title reflecting the assignment and transfer of title to the purchaser.

(5) Neither the lienholder nor the owner shall file with the Office of the Secretary of State the notice of redemption or affidavit of defense described in subdivisions (f-5)(1) and (f-5)(2) of this Section. The Office of the Secretary of State shall not determine the merits of an owner's affidavit of defense, nor consider any allegations or assertions regarding the validity or invalidity of a lienholder's claim to the vehicle or an owner's asserted defenses to the repossession action.

(f-7) Notice of reinstatement in certain cases.

(1) If, at the time of repossession by a lienholder that is seeking to transfer title pursuant to subsection (f-5), the owner has paid an amount equal to 30% or more of the deferred payment price or total of payments due, the owner may, within 21 days of the date of repossession, reinstate the contract or loan agreement and recover the vehicle from the lienholder by tendering in a lump sum (i) the total of all unpaid amounts, including any unpaid delinquency or deferral charges due at the date of reinstatement, without acceleration; and (ii) performance necessary to cure any default other than nonpayment of the amounts due; and (iii) all reasonable costs and fees incurred by the lienholder in retaking, holding, and preparing the vehicle for disposition and in arranging for the sale of the vehicle. Reasonable costs and fees incurred by the lienholder include without limitation repossession and storage expenses and, if authorized by the contract or loan agreement, reasonable attorneys' fees and collection agency charges.

(2) Tender of payment and performance pursuant to this limited right of reinstatement restores to the owner his rights under the contract or loan agreement as though no default had occurred. The owner has the right to reinstate the contract or loan agreement and recover the vehicle from the lienholder only

once under this subsection. The lienholder may, in the lienholder's sole discretion, extend the period during which the owner may reinstate the contract or loan agreement and recover the vehicle beyond the 21 days allowed under this subsection, and the extension shall not subject the lienholder to liability to the owner under the laws of this State.

(3) The lienholder shall deliver or mail written notice to the owner at the owner's last known address, within 3 business days of the date of repossession, of the owner's right to reinstate the contract or loan agreement and recover the vehicle pursuant to the limited right of reinstatement described in this subsection. At the lienholder's option, the information required to be set forth in this notice of reinstatement may be made part of or accompany the notice of redemption required in subdivision (f-5)(1) of this Section and the notification of sale or other disposition required under ~~subsection (3) of~~ Section 9-611 ~~9-504~~ of the Uniform Commercial Code, but none of the information required by this notice of reinstatement shall be construed to impose any requirement under Article 9 of the Uniform Commercial Code.

(4) The reinstatement period, if applicable, and the redemption period described in subdivision (f-5)(1) of this Section, shall run concurrently if the information required to be set forth in the notice of reinstatement is part of or accompanies the notice of redemption. In any event, the 21 day redemption period described in subdivision (f-5)(1) of this Section shall commence on the date of mailing or delivery to the owner of the information required to be set forth in the notice of redemption, and the 21 day reinstatement period described in this subdivision, if applicable, shall commence on the date of mailing or delivery to the owner of the information required to be set forth in the notice of reinstatement.

(5) The Office of the Secretary of State shall not determine the merits of an owner's claim of right to reinstatement, nor consider any allegations or assertions regarding the validity or invalidity of a lienholder's claim to the vehicle or an owner's asserted right to reinstatement. Where a lienholder is subject to licensing and regulatory supervision by the State of Illinois, the lienholder shall be subject to all of the powers and authority of the lienholder's primary State regulator to enforce compliance with the procedures set forth in this subsection (f-7).

(f-10) Repossession by judicial process. In all cases wherein a lienholder has repossessed a vehicle by judicial process and holds it for resale under a security agreement, order for replevin, or other court order establishing the lienholder's right to possession of the vehicle, the lienholder may proceed to sell or otherwise dispose of the vehicle as authorized under the Uniform Commercial Code or the court order. Upon selling the vehicle to another person, the lienholder need not send the certificate of title to the Secretary of State, but shall promptly and within 20 days mail or deliver to the

purchaser as transferee (i) the existing certificate of title for the repossessed vehicle reflecting the release of the lienholder's security interest in the vehicle; (ii) a certified copy of the court order; and (iii) a bill of sale identifying the new owner's name and address and the year, make, model, and vehicle identification number of the vehicle. The application for a certificate of title made by the purchaser shall comply with subsection (a) of Section 3-104 and be accompanied by the certified copy of the court order furnished by the lienholder and the existing certificate of title for the

[Feb. 24, 2000]

repossessed vehicle. The lienholder shall execute the assignment and warranty of title showing the name and address of the purchaser in the spaces provided therefor on the certificate of title or as the Secretary of State prescribes. The lienholder shall complete the assignment of title in the certificate of title to reflect the transfer of the vehicle to the lienholder and also a reassignment to reflect the transfer from the lienholder to the purchaser. For this purpose, the lienholder is specifically authorized to execute the assignment on behalf of the owner as seller if the owner has not done so and to complete and execute the space reserved in the certificate of title for a dealer reassignment, notwithstanding that the lienholder is not a licensed dealer. Nothing herein shall be construed to mean that the lienholder is taking title to the repossessed vehicle for purposes of liability for retailer occupation, vehicle use, or other tax with respect to the proceeds from the repossession sale. Delivery of the existing certificate of title to the purchaser shall be deemed disclosure to the purchaser of the owner of the vehicle. In the event the lienholder does not hold the certificate of title for the repossessed vehicle, the lienholder shall make application for and may obtain a new certificate of title in the name of the lienholder upon furnishing information satisfactory to the Secretary of State. Upon receiving the new certificate of title, the lienholder may proceed with the sale described in this subsection, except that upon selling the vehicle the lienholder shall promptly and within 20 days mail or deliver to the purchaser the new certificate of title reflecting the assignment and transfer of title to the purchaser.

(f-15) The Secretary of State shall not issue a certificate of title to a purchaser under subsection (f), (f-5), or (f-10) of this Section, unless the person from whom the vehicle has been repossessed by the lienholder is shown to be the last registered owner of the motor vehicle. The Secretary of State may provide by rule for the standards to be followed by a lienholder in assigning and transferring certificates of title with respect to repossessed vehicles.

(f-20) If applying for a salvage certificate or a junking certificate, the lienholder shall within 20 days make an application to the Secretary of State for a salvage certificate or a junking certificate, as set forth in this Code. The Secretary of State shall not issue a salvage certificate or a junking certificate to such lienholder unless the person from whom such vehicle has been repossessed is shown to be the last registered owner of such motor

vehicle and such lienholder establishes to the satisfaction of the Secretary of State that he is entitled to such salvage certificate or junking certificate. The Secretary of State may provide by rule for the standards to be followed by a lienholder in order to obtain a salvage certificate or junking certificate for a repossessed vehicle.

(g) A person holding a certificate of title whose interest in the vehicle has been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate, within 20 days upon request of the Secretary of State. The delivery of the certificate pursuant to the request of the Secretary of State does not affect the rights of the person surrendering the certificate, and the action of the Secretary of State in issuing a new certificate of title as provided herein is not conclusive upon the rights of an owner or lienholder named in the old certificate.

(h) The Secretary of State may decline to process any application for a transfer of an interest in a vehicle hereunder if any fees or taxes due under this Act from the transferor or the transferee have not been paid upon reasonable notice and demand.

[Feb. 24, 2000]

209

(i) The Secretary of State shall not be held civilly or criminally liable to any person because any purported transferor may not have had the power or authority to make a transfer of any interest in any vehicle or because a certificate of title issued in error is subsequently used to commit a fraudulent act.

(Source: P.A. 90-212, eff. 1-1-98; 90-665, eff. 1-1-99.)

Section 31. The Illinois Vehicle Code is amended by changing Section 3-202 as follows:

(625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

Sec. 3-202. Perfection of security interest.

(a) Unless excepted by Section 3-201, a security interest in a vehicle of a type for which a certificate of title is required is not valid against subsequent transferees or lienholders of the vehicle unless perfected as provided in this Act.

(b) A security interest is perfected by the delivery to the Secretary of State of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the required fee. The security interest ~~is~~ is perfected as of the time of its creation if the delivery to the Secretary of State is completed within 21 days after the creation of the security interest or receipt by the new lienholder of the existing certificate of title from a prior lienholder or licensed dealer thereafter, otherwise as of the time of the delivery.

(c) If a vehicle is subject to a security interest when brought into this State, the validity of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest attached, subject to the following:

1. If the parties understood at the time the security interest attached that the vehicle would be kept in this State and it was brought into this State within 30 days thereafter for purposes other than transportation through this State, the validity of the security interest in this State is determined by the law of this State.

2. If the security interest was perfected under the law of the

jurisdiction where the vehicle was when the security interest attached, the following rules apply:

(A) If the name of the lienholder is shown on an existing certificate of title issued by that jurisdiction, his security interest continues perfected in this State.

(B) If the name of the lienholder is not shown on an existing certificate of title issued by that jurisdiction, a security interest may be perfected by the lienholder delivering to the Secretary of State the prescribed notice and by payment of the required fee. Such security interest is perfected as of the time of delivery of the prescribed notice and payment of the required fee.

3. If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest attached, it may be perfected in this State; in that case perfection dates from the time of perfection in this State.

4. A security interest may be perfected under paragraph 3 of this subsection either as provided in subsection (b) or by the lienholder delivering to the Secretary of State a notice of security interest in the form the Secretary of State prescribes and the required fee.

(Source: P.A. 81-557.)

Section 33. The Code of Civil Procedure is amended by changing Section 9-316 as follows:

(735 ILCS 5/9-316) (from Ch. 110, par. 9-316)

Sec. 9-316. Lien upon crops. Every landlord shall have a lien upon the crops grown or growing upon the demised premises for the rent thereof, whether the same is payable wholly or in part in money

[Feb. 24, 2000]

or specific articles of property or products of the premises, or labor, and also for the faithful performance of the terms of the lease. Such lien shall continue for the period of 6 months after the expiration of the term for which the premises are demised, and may be enforced by distraint as provided in Part 3 of Article IX of this Act.

A good faith purchaser shall, however, take such crops free of any landlord's lien unless, within 6 months prior to the purchase, the landlord provides written notice of his lien to the purchaser by registered or certified mail. Such notice shall contain the names and addresses of the landlord and tenant, and clearly identify the leased property.

A landlord may require that, prior to his tenant's selling any crops grown on the demised premises, the tenant disclose the name of the person to whom the tenant intends to sell those crops. Where such a requirement has been imposed, the tenant shall not sell the crops to any person other than a person who has been disclosed to the landlord as a potential buyer of the crops.

A lien arising under this Section and duly perfected under Article 9 of the Uniform Commercial Code shall have priority over any other agricultural lien as defined in, and over any security interest arising under, provisions of Article 9 of the Uniform Commercial Code.

(Source: P.A. 83-70.)

Section 35. The Uniform Federal Lien Registration Act is amended by changing Section 4 as follows:

(770 ILCS 110/4) (from Ch. 82, par. 404)

Sec. 4. (a) If a notice of federal lien, a refiling of a notice of federal lien or a notice of revocation of any certificate described in subsection (b) is presented to a filing officer who is:

(1) the Secretary of State, he shall cause the notice to be marked, held and indexed in accordance with the provisions of Section 9-519 ~~9-403(4)~~ of the Uniform Commercial Code as if the notice were a financing statement within the meaning of that Code; or

(2) any other officer described in Section 2, he shall endorse thereon his identification and the date and time of receipt and forthwith file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the title and address of the official or entity certifying the lien, the total amount appearing on the notice of lien, and in the case of federal tax liens, the collector's serial number of the notice.

(b) If a certificate of release, nonattachment, discharge or subordination of any lien is presented to the Secretary of State for filing he shall:

(1) cause a certificate of release or nonattachment to be marked, held and indexed as if the certificate were a termination statement within the meaning of the Uniform Commercial Code, but the notice of lien to which the certificate relates may not be removed from the files; and

(2) cause a certificate of discharge or subordination to be marked, held and indexed as if the certificate were a release of collateral within the meaning of the Uniform Commercial Code.

(c) If a refiled notice of federal lien referred to in subsection (a) or any of the certificates or notices referred to in subsection (b) is presented for filing to any other filing officer specified in Section 2, he shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien

[Feb. 24, 2000]

is entered.

(d) Upon request of any person, the filing officer shall issue his certificate showing whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed under this Act or "An Act in relation to liens of the United States of America", approved June 27, 1923, as amended, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate is \$5. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of 50¢ per page.

(Source: P.A. 86-254.)

Section 37. The Uniform Commercial Code is amended by adding Section 9-404.5 as follows:

(810 ILCS 5/9-404.5 new)

Sec. 9-404.5 Termination statement; duties of filing officer.

(1) If a financing statement covering consumer goods is filed on or after July 1, 1973, then within one month or within 10 days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within 10 days after proper demand therefor, he shall be liable to the debtor for \$100 and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.

(3) If the termination statement is in the standard form prescribed by the Secretary of State, the uniform fee for filing and indexing the termination statement in the office of a county recorder shall be \$5 and otherwise shall be \$10, plus in each case an additional fee of \$5 for each name more than one at each address listed against which the termination statement is required to be indexed.

Section 40. The Toxic Substances Disclosure to Employees Act is amended by changing Section 6 as follows:

[Feb. 24, 2000]

(820 ILCS 255/6) (from Ch. 48, par. 1406)

Sec. 6. Exemptions. This Act shall not apply to:

(a) Use of toxic substances, compounds or mixtures regulated by this Act which are:

(1) Intended for personal consumption by employees in the workplace.

(2) Consumer goods used, stored or sold by an employer, manufacturer, importer, retailer or supplier in the same form, approximate amount, concentration and manner as they are sold to consumers, provided that employee exposure to such consumer goods is not significantly greater than consumer exposure occurring during the principal consumer uses of the consumer goods. For purposes of this Act, "consumer goods" shall be defined as in Section 9-102 ~~9-109.1~~ of the Uniform Commercial Code.

(3) Present in a concentration of less than 1%. In the cases of carcinogens, mutagens or teratogens, only those substances shall be exempt which are present in a concentration of 0.1% or less. No substance shall be exempt under this paragraph which is present in concentrations exceeding threshold concentrations established by regulation of the Department.

(b) Laboratories in which a toxic substance, compound or mixture regulated by this Act is used by or under the direct supervision of a technically qualified individual, provided that the toxic substance or mixture is not produced in the laboratories for commercial sale. The Department shall promulgate rules prescribing the standards used in determining whether a laboratory is under the direct supervision of a technically qualified individual.

(c) All retail trade establishments as listed in the "Standard Industrial Classification Manual" Division G, Retail Trade, published by the U.S. Government Printing Office, except the Act shall apply to those retail trade establishments listed within Major Groups: 52 - Building Materials, Hardware, Garden Supply, and Mobile Home Dealers; and 55 - Automotive Dealers and Gasoline Service Stations, except for those activities involving the retail sales of gasoline motor fuels or lubricants, or if the retail trade establishments are engaged in any of the following specific activities, this Act shall apply only to the retail trade establishments' involvement in such specific activities: paint mixing, other than the tinting of consumer sized containers of paint; finishing or refinishing operations using paint or paint related products; automobile battery servicing, photo finishing operations; and dry cleaning operations.

(Source: P.A. 85-506.)

Section 99. Effective date. This Act takes effect on July 1, 2001, except that this Section and Sections 31 and 37 take effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator O'Malley, **Senate Bill No. 1275** was recalled from the order of third reading to the order of second reading.

Floor Amendments numbered 4 and 5 were held in the Committee on Rules.

Senator O'Malley offered the following amendment and moved its adoption:

AMENDMENT NO. 6

[Feb. 24, 2000]

AMENDMENT NO. 6. Amend Senate Bill 1275, AS AMENDED, in Section 10 of the bill, in subsection (b) by replacing "Loan Act that do not" with "Loan Act or entities licensed under the Currency Exchange Act that do not"; and in Section 15 of the bill by replacing all of subsection (b) with the following:

"(b) With respect to initial licensed locations established before the effective date of this Act, an applicant shall prove in a form satisfactory to the Director that the initial licensed location has and will maintain a net worth of \$75,000 or a net worth equal to 15% of the loans outstanding at all of its licensed locations, whichever is greater, and \$30,000 for each additional licensed location, not to exceed \$500,000 in the aggregate.

Where a licensee has established 2 or more licensed locations prior to January 1, 2000, or where a licensee has established a common corporate affiliation with or among 2 or more other corporate licensees, the net worth of all licensed locations, or of those licensees with a common corporate affiliation, may be aggregated and attributed to the net worth of the initial licensed location if necessary to meet the \$75,000 initial licensed location net worth requirements. This attribution shall not be deemed to reduce the net worth of the individual licensed locations.

With respect to initial licensed locations and additional licensed locations established on or after the effective date of this Act, the applicant shall prove in a form satisfactory to the Director that the applicant has and will maintain a net worth of a minimum of \$250,000 for an initial licensed location and \$30,000 for each additional licensed location, not to exceed \$500,000 in the aggregate."; and in Section 147 of the bill by changing "This Act is" to "The powers granted by this Act are".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 6 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator del Valle, **Senate Bill No. 1276** was recalled from the order of third reading to the order of second reading.

Senator del Valle offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1276 on page 1, by replacing lines 1 and 2 with the following:

"AN ACT to amend the Property Tax Code by changing Sections 12-20, 12-55, and 16-115."; and

on page 1, by replacing line 6 with the following:

"Sections 12-20, 12-55, and 16-115 as follows:"; and

on page 1, immediately below line 30, by inserting the following:

"(35 ILCS 200/12-20)

Sec. 12-20. Publication of assessments; counties of 3,000,000 or more. In counties with 3,000,000 or more inhabitants, in each year

of a general assessment, for each county or assessment district therein if the county is divided into assessment districts as provided in Section 9-220, the county assessor shall publish a complete assessment list as soon as the assessment is completed as required under this Section. In years other than years of a general assessment or reassessment, the county assessor shall cause to be

[Feb. 24, 2000]

published, within the time and in the manner described here, a complete list of assessments in which changes are made together with the changes made in the valuation or assessment of property since the last preceding assessment. The publication shall contain a copy of the land value map for the township, if required by the Department.

The publication of the assessments or the changes shall be printed in some newspaper or newspapers of general circulation published in the county except that, in every township or incorporated town which has superseded a civil township, in which there is published one or more newspapers of general circulation, the assessment list of each township shall be published in one of the newspapers. In cities of more than 2,000,000 inhabitants, the assessment list of the city shall be printed in one or more newspapers of general circulation published in the township assessment district within the city or, in the event a newspaper of general circulation is not published within the township assessment district, in one or more newspapers of general circulation published within the city.

Any newspaper publishing an assessment list under this Section is entitled to a fee of 40¢ per column line for publishing the list.

In addition to the published assessment list, the county assessor shall include a statement that if an individual taxpayer wishes to appeal an assessment, he or she is not required to be represented at the appeal hearing by an attorney, tax consultant, or any other representative and may represent himself or herself at the hearing.

(Source: P.A. 85-696; 86-1481; 88-455.)

(35 ILCS 200/12-55)

Sec. 12-55. Notice requirement if assessment is increased; counties of 3,000,000 or more.

(a) In counties with 3,000,000 or more inhabitants, a revision by the county assessor, except where such revision is made on complaint of the owner, shall not increase an assessment without notice to the person to whom the most recent tax bill was mailed and an opportunity to be heard before the assessment is verified. The assessor may provide for the filing of complaints and make revisions at times other than those dates published under Section 14-35. When the county assessor has completed the revision and correction and entered the changes and revision in the assessment books, an affidavit shall be attached to the assessment books in the form required by law, signed by the county assessor.

(b) In counties with 3,000,000 or more inhabitants, for parcels, other than parcels in the class that includes the majority of the single-family residential parcels under a county ordinance adopted in accordance with Section 4 of Article IX of the Illinois Constitution, located in the assessment district for which the current assessment

year is a general assessment year, within 30 days after sending the required notices under this Section, the county assessor shall file with the board of appeals (until the first Monday in December 1998, and the board of review beginning the first Monday in December 1998 and thereafter) a list of the parcels for which the notices under this Section were sent, showing the following information for each such parcel: the parcel index number, the township in which the parcel is located, the class for the current year, the previous year's final total assessed value, the total assessed value proposed by the county assessor, and the name of the person to whom the notice required under this Section was sent. The list shall be available for public inspection at the office of the board during the regular office hours of the board. The list shall be retained by the board for at least 10 years after the date it is initially filed by the county assessor.

[Feb. 24, 2000]

215

(c) The provisions of subsection (b) of this Section shall be applicable beginning with the assessment for the 1997 tax year.

(d) In the notice required to be sent under this Section, the county assessor shall include a statement that if an individual taxpayer wishes to appeal an assessment, he or she is not required to be represented at the appeal hearing by an attorney, tax consultant, or any other representative and may represent himself or herself at the hearing.

(Source: P.A. 90-4, eff. 3-7-97.)"; and
on page 1, below line 30, by inserting the following:

"Section 99. Effective date. This Act takes effect upon becoming law.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Geo-Karis, **Senate Bill No. 1302** was recalled from the order of third reading to the order of second reading.

Senator Geo-Karis offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1302 by replacing everything after the enacting clause with the following:

"Section 5. The Township Code is amended by changing Sections 115-20 and 115-105 as follows:

(60 ILCS 1/115-20)

Sec. 115-20. Referendum on recommended plan; petition.

(a) If the board recommends adoption of the open space plan, or if a petition is filed by not less than 5% or 50, whichever is greater, of the registered voters of the township (according to the voting registration records at the time the petition is filed) recommending adoption of the open space plan, then the Board, within

30 days of making of the recommendation or the filing of the petition, shall file a petition with the township clerk, requesting the clerk to submit to the voters of the township the question of whether the township shall adopt the open space plan and enter upon an open space program, with the power to acquire open land by purchase, condemnation (except townships in counties having a population of more than 150,000 but not more than 250,000), or otherwise in the township and with the power to issue bonds for those purposes under this Article. The total amount of bonds to be issued under this Section may not exceed 5% of the valuation of all taxable property in the township and shall be set forth in the question as a dollar amount. The township clerk shall certify that proposition to the proper election officials, who shall submit the proposition to the township voters at the next regular election. The referendum shall be conducted and notice given in accordance with the general election law.

(b) The question submitted to the voters at the election shall be in substantially the following form:

Shall (name of township) adopt the open space plan considered at the public hearing on (date) and enter upon an open space program, and shall the Township Board have the power (i) to acquire open land by purchase (insert ", condemnation," if the township is in a county having a population of more than 250,000) or otherwise, (ii) to issue bonds for open space purposes in an

[Feb. 24, 2000]

216

amount not exceeding \$(amount) ~~5% of the valuation of all taxable property in the township~~, and (iii) to levy a tax to pay the principal of and interest on those bonds, as provided in Article 115 of the Township Code?

The votes shall be recorded as "Yes" or "No".

(c) If a majority of the voters voting at the election on the question vote in favor of the question, the township shall thereafter adopt the open space plan recommended by the board or by the petition of the registered voters of the township and shall enter upon an open space program under this Article. If the proposition does not receive the approval of a majority of the voters voting at the election on the question, no proposition may be submitted to the voters under this Section less than 23 months after the date of the election.

(Source: P.A. 91-641, eff. 8-20-99.)

(60 ILCS 1/115-105)

Sec. 115-105. Borrowing money; bonds. The township board may borrow money and issue bonds, after referendum, for the purpose of acquiring, developing, rehabilitating and renovating open lands for open space purposes, as defined in Section 115-5, pursuant to an open space program adopted as provided in this Article, in and for the township in any amount not to exceed 5% ~~5.75%~~ on the valuation of taxable property in the township, to be ascertained by the last assessment for State and county taxes previous to the incurring of such indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the township's 1978 equalized assessed valuation by the debt limitation percentage on January 1, 1979.

Whenever the board desires to issue bonds under this Article, or

whenever the board receives a petition from not less than 5% or 50, whichever is greater, of the registered voters of the township, according to the voting registration records at the time the petition is filed, requesting the board to issue bonds under this Article, the board, concurrently with the filing of a petition with the township clerk requesting him to submit to the voters of the township at the next election the question of whether or not to adopt an open space plan and enter upon an open space program, shall certify that proposition to the proper election officials who shall submit to the voters of the township at the next election the question of whether or not the board shall issue bonds to finance an open space program and provide for the levy and collection of a direct annual tax upon all taxable property within the township to meet the principal and interest on the bonds as they mature, which tax shall be in addition to and in excess of any other tax authorized to be levied by the township. The amount of bonds to be issued under this Section shall be set forth in the question as a dollar amount. The election shall be conducted and notice given in accordance with the general election law. The question submitted to the voters at the election shall be in substantially the following form:

Shall (name of township) issue bonds to finance the acquisition, maintenance, development, rehabilitation and renovation of open space lands for open space purposes as provided by the Township Open Space Article of the Township Code and levy and collect property taxes, in excess of any other tax authorized to be levied by the township, sufficient to meet the principal and interest on the bonds as they mature, but not in an amount in excess of \$(amount) ~~5.75% on the valuation of taxable property in the township?~~

The votes shall be recorded as "Yes" or "No".

If a majority of the voters voting on the question vote in favor of the question, the board shall issue bonds as provided in this Article provided such bonds are issued within 6 months after the

[Feb. 24, 2000]

voters vote favorably on such question. If such proposition does not receive the approval of a majority of the voters voting at the election on the question, no proposition may be submitted to such voters pursuant to this Section less than 23 months after the date of such election.

The board shall then adopt a resolution authorizing the issuance of such bonds, prescribing all the details thereof, and stating the time or times when the principal thereof and the interest on the bonds become payable, and the place of payment thereof. The bonds must, however, be payable within not less than 3 nor more than 40 years from date thereof, and be issued to bear interest at not to exceed the maximum rate authorized by the Bond Authorization Act, as amended at the time of the making of the contract. Such a resolution shall provide for the levy and collection of a direct annual tax upon all the taxable property within the corporate limits of such township sufficient to meet the principal of and interest on the bonds as they mature, which tax shall be in addition to and in excess of any other tax authorized to be levied by the township.

A certified copy of the resolution providing for the issuance of any such bonds shall be filed with the county clerk of the county in which the township is located and constitutes the basis and authority of the county clerk for the extension and collection of the tax necessary to pay the principal of and interest upon the bonds issued under the resolution.

With respect to instruments for the payment of money issued under this Section either before, on, or after the effective date of Public Act 86-004, it is and always has been the intention of the General Assembly (i) that the Omnibus Bond Acts are and always have been supplementary grants of power to issue instruments in accordance with the Omnibus Bond Acts, regardless of any provision of this Article that may appear to be or to have been more restrictive than those Acts, (ii) that the provisions of this Section are not a limitation on the supplementary authority granted by the Omnibus Bonds Acts, and (iii) that instruments issued under this Section within the supplementary authority granted by the Omnibus Bond Acts are not invalid because of any provision of this Article that may appear to be or to have been more restrictive than those Acts.
(Source: P.A. 88-670, eff. 12-2-94.)

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Maitland, **Senate Bill No. 1338** was recalled from the order of third reading to the order of second reading.

Senator Maitland offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1338 by replacing everything after the enacting clause with the following:

"Section 5. The State Officers and Employees Money Disposition Act is amended by changing Section 2 as follows:

(30 ILCS 230/2) (from Ch. 127, par. 171)

Sec. 2. Accounts of money received; payment into State treasury.

(a) Every officer, board, commission, commissioner, department,

[Feb. 24, 2000]

institution, arm or agency brought within the provisions of this Act by Section 1 shall keep in proper books a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt, the payor, and purpose and amount, and the date and manner of disbursement as hereinafter provided, and, unless a different time of payment is expressly provided by law or by rules or regulations promulgated under subsection (b) of this Section, shall pay into the State treasury the gross amount of money so received on the day of actual physical receipt with respect to any

single item of receipt exceeding \$10,000, within 24 hours of actual physical receipt with respect to an accumulation of receipts of \$10,000 or more, or within 48 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$500 but less than \$10,000, disregarding holidays, Saturdays and Sundays, after the receipt of same, without any deduction on account of salaries, fees, costs, charges, expenses or claims of any description whatever; provided that:

(1) the provisions of (i) Section 2505-475 of the Department of Revenue Law (20 ILCS 2505/2505-475), (ii) any specific taxing statute authorizing a claim for credit procedure instead of the actual making of refunds, (iii) Section 505 of the Illinois Controlled Substances Act, authorizing the Director of State Police to dispose of forfeited property, which includes the sale and disposition of the proceeds of the sale of forfeited property, and the Department of Central Management Services to be reimbursed for costs incurred with the sales of forfeited vehicles, boats or aircraft and to pay to bona fide or innocent purchasers, conditional sales vendors or mortgagees of such vehicles, boats or aircraft their interest in such vehicles, boats or aircraft, and (iv) Section 6b-2 of the State Finance Act, establishing procedures for handling cash receipts from the sale of pari-mutuel wagering tickets, shall not be deemed to be in conflict with the requirements of this Section;

(2) any fees received by the State Registrar of Vital Records pursuant to the Vital Records Act which are insufficient in amount may be returned by the Registrar as provided in that Act;

(3) any fees received by the Department of Public Health under the Food Handling Regulation Enforcement Act that are submitted for renewal of an expired food service sanitation manager certificate may be returned by the Director as provided in that Act; ~~and~~

(3.5) the State Treasurer may permit the deduction of fees by third-party unclaimed property examiners from the property recovered by the examiners for the State of Illinois during examinations of holders located outside the State under which the Office of the Treasurer has agreed to pay for the examinations based upon a percentage, set by rule by the State Treasurer in accordance with the Illinois Administrative Procedure Act, of the property recovered during the examination; and

(4) if the amount of money received does not exceed \$500, such money may be retained and need not be paid into the State treasury until the total amount of money so received exceeds \$500, or until the next succeeding 1st or 15th day of each month (or until the next business day if these days fall on Sunday or a holiday), whichever is earlier, at which earlier time such money shall be paid into the State treasury, except that if a local bank or savings and loan association account has been authorized by law, any balances shall be paid into the State treasury on Monday of each week if more than \$500 is to be deposited in any

[Feb. 24, 2000]

fund.

Single items of receipt exceeding \$10,000 received after 2 p.m. on a working day may be deemed to have been received on the next working day for purposes of fulfilling the requirement that the item be deposited on the day of actual physical receipt.

No money belonging to or left for the use of the State shall be expended or applied except in consequence of an appropriation made by law and upon the warrant of the State Comptroller. However, payments made by the Comptroller to persons by direct deposit need not be made upon the warrant of the Comptroller, but if not made upon a warrant, shall be made in accordance with Section 9.02 of the State Comptroller Act. All moneys so paid into the State treasury shall, unless required by some statute to be held in the State treasury in a separate or special fund, be covered into the General Revenue Fund in the State treasury. Moneys received in the form of checks, drafts or similar instruments shall be properly endorsed, if necessary, and delivered to the State Treasurer for collection. The State Treasurer shall remit such collected funds to the depositing officer, board, commission, commissioner, department, institution, arm or agency by Treasurers Draft or through electronic funds transfer. The draft or notification of the electronic funds transfer shall be provided to the State Comptroller to allow deposit into the appropriate fund.

(b) Different time periods for the payment of public funds into the State treasury or to the State Treasurer, in excess of the periods established in subsection (a) of this Section, but not in excess of 30 days after receipt of such funds, may be established and revised from time to time by rules or regulations promulgated jointly by the State Treasurer and the State Comptroller in accordance with the Illinois Administrative Procedure Act. The different time periods established by rule or regulation under this subsection may vary according to the nature and amounts of the funds received, the locations at which the funds are received, whether compliance with the deposit requirements specified in subsection (a) of this Section would be cost effective, and such other circumstances and conditions as the promulgating authorities consider to be appropriate. The Treasurer and the Comptroller shall review all such different time periods established pursuant to this subsection every 2 years from the establishment thereof and upon such review, unless it is determined that it is economically unfeasible for the agency to comply with the provisions of subsection (a), shall repeal such different time period.

(Source: P.A. 90-37, eff. 6-27-97; 90-655, eff. 7-30-98; 91-239, eff. 1-1-00.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Burzynski, **Senate Bill No. 1339** was recalled from the order of third reading to the order of second reading.

Senator Burzynski offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1339 on page 1, line 29,

after "epidermis," by inserting "which includes, but is not limited to, the process of microdermabrasion,"; and
on page 7, line 16, after "epidermis" by inserting ", which includes,

[Feb. 24, 2000]

220

but is not limited to, the process of microdermabrasion,"; and
on page 8, line 9, after "epidermis," by inserting "which includes,
but is not limited to, the process of microdermabrasion,".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Silverstein, **Senate Bill No. 1382** was recalled from the order of third reading to the order of second reading.

Senator Silverstein offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1382, on page 1, line 25, by inserting after "imposed" the following:
"for a violation of this Section that is chargeable as a Class 3 or Class 4 felony".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator O'Malley, **Senate Bill No. 1393** was recalled from the order of third reading to the order of second reading.

Senator O'Malley offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1393 as follows:
on page 10, by replacing lines 22 through 34 with the following:

"(d) Chronic obstruction of a grade crossing. Within the Chicago switching district, the Commission may, after investigation, make a determination that a railroad has engaged in chronic obstruction of a grade crossing. The Commission shall investigate allegations that a railroad's trains repeatedly and with great rate of recurrence obstruct a grade crossing by frequently stopping and causing disruption of vehicular traffic and endangering the lives and safety of the citizens of this State by interfering with the operation of ambulances and fire department vehicles. The Commission shall find that chronic obstruction of a grade crossing has occurred if, within a 2-week period, a railroad's trains have stopped traffic at that crossing for 20 minutes or longer 3 or more times. Once a railroad is

designated as chronically obstructing a grade crossing, the Commission shall forward the results of the investigation to the State's Attorney, of the county where the crossing is located, for prosecution. The penalty for obstructing that grade crossing is a Class C misdemeanor for the first offense."; and

on page 11, by deleting line 1; and

on page 15, by replacing lines 6 through 19 with the following:

"(d) Chronic obstruction of a grade crossing. Within the Chicago switching district, the Commission may, after investigation, make a determination that a railroad has engaged in chronic obstruction of a grade crossing. The Commission shall investigate allegations that a railroad's trains repeatedly and with great rate of recurrence

[Feb. 24, 2000]

221

obstruct a grade crossing by frequently stopping and causing disruption of vehicular traffic and endangering the lives and safety of the citizens of this State by interfering with the operation of ambulances and fire department vehicles. The Commission shall find that chronic obstruction of a grade crossing has occurred if, within a 2-week period, a railroad's trains have stopped traffic at that crossing for 20 minutes or longer 3 or more times. Once a railroad is designated as chronically obstructing a grade crossing, the Commission shall forward the results of the investigation to the State's Attorney, of the county where the crossing is located, for prosecution. The penalty for obstructing that grade crossing is a Class C misdemeanor for the first offense."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Watson, **Senate Bill No. 1439** was recalled from the order of third reading to the order of second reading.

Senator Watson offered the following amendment and moved its adoption:

AMENDMENT NO. 3

AMENDMENT NO. 3. Amend Senate Bill 1439 on page 19, lines 19 and 21, by replacing "2014" each time it appears with "2010".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Lauzen, **Senate Bill No. 1440** was recalled from the order of third reading to the order of second reading.

Senator Lauzen offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1440 on page 6, in line 6, by replacing "filing" with "payment".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator O'Malley, **Senate Bill No. 1446** was recalled from the order of third reading to the order of second reading.

Senator O'Malley offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1446 by replacing the title with the following:

"AN ACT to amend the School Code by adding Section 2-3.33a."; and by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by adding Section 2-3.33a

[Feb. 24, 2000]

222

as follows:

(105 ILCS 5/2-3.33a new)

Sec. 2-3.33a. Audit adjustments prohibited; alternative education program. The State Board of Education shall not make audit adjustments to general State aid claims paid in fiscal years 1999, 2000, 2001, and 2002 based upon the claimant's failure to provide a minimum of 5 clock hours of daily instruction to students in an alternative education program.

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Geo-Karis, **Senate Bill No. 1513** was recalled from the order of third reading to the order of second reading.

Senator Geo-Karis offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1513, AS AMENDED, on page 2, by replacing lines 32 and 33 with the following:

"danger to the public health or safety, contracts totaling not more than ~~\$40,000~~ \$250,000 may be let to the extent necessary to".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator O'Malley, **Senate Bill No. 1577** was recalled from the order of third reading to the order of second reading.

Floor Amendments numbered 1 and 2 were held in the Committee on Rules.

Senator O'Malley offered the following amendment and moved its adoption:

AMENDMENT NO. 3

AMENDMENT NO. 3. Amend Senate Bill 1577 on page 1, by replacing line 2 with the following:

"Redevelopment Authority."; and

on page 1, in line 6, by replacing "Relocation and Development" with "Redevelopment"; and

on page 2, line 6, by replacing "Relocation and Development" with "Redevelopment"; and

on page 2, by replacing line 7 with the following:

"Authority, embracing the municipalities of Chicago Ridge, Burbank, Bedford Park, Worth, Tinley Park, Orland Park, Palos Park, Crestwood, Dolton, Riverdale, Harvey, Oak Lawn, Dixmoor, Bridgeview, Alsip, Oak Forest, Midlothian,"; and

on page 4, in line 7, by replacing "5-member" with "21-member"; and

on page 4, by replacing line 8 with the following:

"the mayors or village presidents, or their designees, of Chicago Ridge, Dolton, Burbank, Bedford Park, Worth, Tinley Park, Orland Park, Palos Park, Crestwood, Riverdale, Harvey, Oak Lawn, Dixmoor, Bridgeview, Alsip, Oak Forest, Midlothian,"; and

[Feb. 24, 2000]

on page 4, by replacing lines 11 and 12 with the following:

"each of the participating municipalities until each one has served as Chair, upon which time the office of Chair shall rotate back to the original representative member. Each representative member"; and

on page 4, by inserting immediately after line 19 the following:

"Any of the 21 member municipalities may opt-out of the Authority by a majority vote of the corporate authorities of that municipality. That municipality shall notify the Authority in writing of its vote to opt-out of the Authority."; and

on page 5, in line 4 by replacing "any 3" with "a majority of the".

The motion prevailed.

And the amendment was adopted and ordered printed.

Floor Amendment No. 4 was filed earlier today and referred to the Committee on Rules.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Petka, **Senate Bill No. 1613** was recalled from the order of third reading to the order of second reading.

Senator Petka offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1613 on page 3, line 30, by replacing "County" with "County, owned by a not-for-profit entity, and endorsed by a resolution approved by the county board before the effective date of this amendatory Act of the 91st General Assembly"; and

on page 10 by replacing lines 28 through 32 with the following:

"plan shall have defined goals."; and

on page 11, line 3, by replacing "An" with "All staff must have necessary training to care for all stages of Alzheimer's Disease. An"; and

on page 11 by replacing line 15 with the following:

"center. An Alzheimer's disease management center model shall have no more than 100 residents. Nothing in this paragraph (5) shall be construed as prohibiting a person or facility from providing services and care to persons with Alzheimer's disease as otherwise authorized under State law."; and

on page 12 by inserting immediately below line 3 the following:

"Section 15. The Nursing Home Care Act is amended by changing Section 1-113 as follows:

(210 ILCS 45/1-113) (from Ch. 111 1/2, par. 4151-113)

(Text of Section before amendment by P.A. 91-656)

Sec. 1-113. "Facility" or "long-term care facility" means a private home, institution, building, residence, or any other place, whether operated for profit or not, or a county home for the infirm and chronically ill operated pursuant to Division 5-21 or 5-22 of the Counties Code, or any similar institution operated by a political subdivision of the State of Illinois, which provides, through its ownership or management, personal care, sheltered care or nursing for 3 or more persons, not related to the applicant or owner by blood or marriage. It includes skilled nursing facilities and intermediate care facilities as those terms are defined in Title XVIII and Title XIX of the Federal Social Security Act. It also includes homes, institutions, or other places operated by or under the authority of the Illinois Department of Veterans' Affairs.

"Facility" does not include the following:

[Feb. 24, 2000]

(1) A home, institution, or other place operated by the federal government or agency thereof, or by the State of Illinois, other than homes, institutions, or other places operated by or under the authority of the Illinois Department of Veterans' Affairs;

(2) A hospital, sanitarium, or other institution whose principal activity or business is the diagnosis, care, and treatment of human illness through the maintenance and operation as organized facilities therefor, which is required to be licensed under the Hospital Licensing Act;

(3) Any "facility for child care" as defined in the Child Care Act of 1969;

(4) Any "Community Living Facility" as defined in the Community

Living Facilities Licensing Act;

(5) Any "community residential alternative" as defined in the Community Residential Alternatives Licensing Act;

(6) Any nursing home or sanatorium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer, in accordance with the creed or tenets of any well-recognized church or religious denomination. However, such nursing home or sanatorium shall comply with all local laws and rules relating to sanitation and safety;

(7) Any facility licensed by the Department of Human Services as a community-integrated living arrangement as defined in the Community-Integrated Living Arrangements Licensure and Certification Act;

(8) Any "Supportive Residence" licensed under the Supportive Residences Licensing Act; ~~or~~

(9) Any "supportive living facility" in good standing with the demonstration project established under Section 5-5.01a of the Illinois Public Aid Code; ~~or-~~

(11) An Alzheimer's disease management center alternative health care model licensed under the Alternative Health Care Delivery Act.

(Source: P.A. 89-499, eff. 6-28-96; 89-507, eff. 7-1-97; 90-14, eff. 7-1-97; 90-763, eff. 8-14-98.)

(Text of Section after amendment by P.A. 91-656)

Sec. 1-113. "Facility" or "long-term care facility" means a private home, institution, building, residence, or any other place, whether operated for profit or not, or a county home for the infirm and chronically ill operated pursuant to Division 5-21 or 5-22 of the Counties Code, or any similar institution operated by a political subdivision of the State of Illinois, which provides, through its ownership or management, personal care, sheltered care or nursing for 3 or more persons, not related to the applicant or owner by blood or marriage. It includes skilled nursing facilities and intermediate care facilities as those terms are defined in Title XVIII and Title XIX of the Federal Social Security Act. It also includes homes, institutions, or other places operated by or under the authority of the Illinois Department of Veterans' Affairs.

"Facility" does not include the following:

(1) A home, institution, or other place operated by the federal government or agency thereof, or by the State of Illinois, other than homes, institutions, or other places operated by or under the authority of the Illinois Department of Veterans' Affairs;

(2) A hospital, sanitarium, or other institution whose principal activity or business is the diagnosis, care, and treatment of human illness through the maintenance and operation as organized facilities therefor, which is required to be licensed under the Hospital Licensing Act;

(3) Any "facility for child care" as defined in the Child Care Act of 1969;

[Feb. 24, 2000]

(4) Any "Community Living Facility" as defined in the Community Living Facilities Licensing Act;

(5) Any "community residential alternative" as defined in the

Community Residential Alternatives Licensing Act;

(6) Any nursing home or sanatorium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer, in accordance with the creed or tenets of any well-recognized church or religious denomination. However, such nursing home or sanatorium shall comply with all local laws and rules relating to sanitation and safety;

(7) Any facility licensed by the Department of Human Services as a community-integrated living arrangement as defined in the Community-Integrated Living Arrangements Licensure and Certification Act;

(8) Any "Supportive Residence" licensed under the Supportive Residences Licensing Act;

(9) Any "supportive living facility" in good standing with the demonstration project established under Section 5-5.01a of the Illinois Public Aid Code; ~~or~~

(10) Any assisted living or shared housing establishment licensed under the Assisted Living and Shared Housing Act; ~~or~~

(11) An Alzheimer's disease management center alternative health care model licensed under the Alternative Health Care Delivery Act.

(Source: P.A. 90-14, eff. 7-1-97; 90-763, eff. 8-14-98; 91-656, eff. 1-1-01.)

Section 20. The Hospital Licensing Act is amended by changing Section 3 as follows:

(210 ILCS 85/3) (from Ch. 111 1/2, par. 144)

Sec. 3. As used in this Act:

(A) "Hospital" means any institution, place, building, or agency, public or private, whether organized for profit or not, devoted primarily to the maintenance and operation of facilities for the diagnosis and treatment or care of 2 or more unrelated persons admitted for overnight stay or longer in order to obtain medical, including obstetric, psychiatric and nursing, care of illness, disease, injury, infirmity, or deformity.

The term "hospital", without regard to length of stay, shall also include:

(a) any facility which is devoted primarily to providing psychiatric and related services and programs for the diagnosis and treatment or care of 2 or more unrelated persons suffering from emotional or nervous diseases;

(b) all places where pregnant females are received, cared for, or treated during delivery irrespective of the number of patients received.

The term "hospital" includes general and specialized hospitals, tuberculosis sanatoria, mental or psychiatric hospitals and sanatoria, and includes maternity homes, lying-in homes, and homes for unwed mothers in which care is given during delivery.

The term "hospital" does not include:

(1) any person or institution required to be licensed pursuant to the Nursing Home Care Act, as amended;

(2) hospitalization or care facilities maintained by the State or any department or agency thereof, where such department or agency has authority under law to establish and enforce standards for the hospitalization or care facilities under its management and control;

(3) hospitalization or care facilities maintained by the federal government or agencies thereof;

(4) hospitalization or care facilities maintained by any

university or college established under the laws of this State and supported principally by public funds raised by taxation;

(5) any person or facility required to be licensed pursuant to the Alcoholism and Other Drug Abuse and Dependency Act; ~~or~~

(6) any facility operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer, in accordance with the creed or tenets of any well-recognized church or religious denomination; or-

(7) An Alzheimer's disease management center alternative health care model licensed under the Alternative Health Care Delivery Act.

(B) "Person" means the State, and any political subdivision or municipal corporation, individual, firm, partnership, corporation, company, association, or joint stock association, or the legal successor thereof.

(C) "Department" means the Department of Public Health of the State of Illinois.

(D) "Director" means the Director of Public Health of the State of Illinois.

(E) "Perinatal" means the period of time between the conception of an infant and the end of the first month after birth.

(F) "Federally designated organ procurement agency" means the organ procurement agency designated by the Secretary of the U.S. Department of Health and Human Services for the service area in which a hospital is located; except that in the case of a hospital located in a county adjacent to Wisconsin which currently contracts with an organ procurement agency located in Wisconsin that is not the organ procurement agency designated by the U.S. Secretary of Health and Human Services for the service area in which the hospital is located, if the hospital applies for a waiver pursuant to 42 USC 1320b-8(a), it may designate an organ procurement agency located in Wisconsin to be thereafter deemed its federally designated organ procurement agency for the purposes of this Act.

(G) "Tissue bank" means any facility or program operating in Illinois that is certified by the American Association of Tissue Banks or the Eye Bank Association of America and is involved in procuring, furnishing, donating, or distributing corneas, bones, or other human tissue for the purpose of injecting, transfusing, or transplanting any of them into the human body. "Tissue bank" does not include a licensed blood bank. For the purposes of this Act, "tissue" does not include organs.

(Source: P.A. 88-670, eff. 12-2-94; 89-393, eff. 8-20-95.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Mahar, **Senate Bill No. 1653** was recalled from the order of third reading to the order of second reading.

Senator Mahar offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1653, AS AMENDED, by replacing the title with the following:

"AN ACT to amend the Public Utilities Act by changing Sections 4-202, 4-203, 5-202, and 16-125."; and
by replacing everything after the enacting clause with the following:

[Feb. 24, 2000]

227

"Section 5. The Public Utilities Act is amended by changing Sections 4-202, 4-203, 5-202, and 16-125 as follows:

(220 ILCS 5/4-202) (from Ch. 111 2/3, par. 4-202)

Sec. 4-202. Action for injunction.

(a) Except as provided in subsection (b) with respect to telecommunications carriers as defined in Section 13-202, whenever the Commission shall be of the opinion that any public utility is failing or omitting or about to fail or omit to do anything required of it by law, or by any order, decision, rule, regulation, direction or requirement of the Commission, issued or made under authority of this Act, or is doing anything or about to do anything or permitting anything or about to permit anything to be done, contrary to or in violation of law or any order, decision, rule, regulation, direction or requirement of the Commission, issued or made under authority of this Act, the Commission shall file an action or proceeding in the circuit court in and for the county in which the case or some part thereof arose, or in which the person or corporation complained of, if any, has its principal place of business, or in which the person complained of, if any, resides, in the name of the People of the State of Illinois, for the purpose of having the violation or threatened violation stopped and prevented, either by mandamus or injunction. The Commission may express its opinion in a resolution based upon whatever facts and evidence that has come to its attention and may issue the resolution ex parte and without holding any administrative hearing before bringing suit. Except in cases involving an imminent threat to the public health or public safety, no such resolution shall be adopted until 48 hours after the public utility has been given notice of (i) the substance of the alleged violation, including a citation to the law, order, decision, rule, regulation, or direction of the Commission alleged to have been violated and (ii) the time and date of the meeting at which such resolution will first be before the Commission for consideration. The Commission shall file the action or proceeding by complaint in the circuit court alleging the violation or threatened violation complained of and praying for appropriate relief by way of mandamus or injunction. It shall thereupon be the duty of the court to specify a time, not exceeding 20 days after the service of the copy of the complaint, within which the public utility complained of must answer the complaint, and in the meantime said public utility may be restrained. In case of default in answer, or after answer, the court shall immediately inquire into the facts and circumstances of the case. Such corporation or persons as the court may deem necessary or

proper to be joined as parties, in order to make its judgment order effective, may be joined as parties. The final judgment in any action or proceeding shall either dismiss the action or proceeding or grant relief by mandamus or injunction or be made permanent as prayed for in the complaint, or in such modified or other form as will afford appropriate relief. An appeal may be taken from such final judgment as in other civil cases.

(b) This subsection shall apply to telecommunications carriers as defined in Section 13-202. Whenever the Commission shall be of the opinion that any public utility is failing or omitting or about to fail or omit, to do anything required of it by law, or by any order, decision, rule, regulation, direction or requirement of the Commission, issued or made under authority of this Act, or is doing anything or about to do anything or permitting anything or about to permit anything to be done, contrary to or in violation of law or any order, decision, rule, regulation, direction or requirement of the Commission, issued or made under authority of this Act, the Commission shall file an action or proceeding in the circuit court in

[Feb. 24, 2000]

228

and for the county in which the case or some part thereof arose, or in which the person or corporation complained of, if any, has its principal place of business, or in which the person complained of, if any, resides, in the name of the People of the State of Illinois, for the purpose of having the violation or threatened violation stopped and prevented, either by mandamus or injunction. The Commission shall file the action or proceeding by complaint in the circuit court, alleging the violation or threatened violation complained of, and praying for appropriate relief by way of mandamus or injunction. It shall thereupon be the duty of the court to specify a time, not exceeding 20 days after the service of the copy of the complaint, within which the public utility complained of must answer the complaint, and in the meantime said public utility may be restrained. In case of default in answer, or after answer, the court shall immediately inquire into the facts and circumstances of the case. Such corporation or persons as the court may deem necessary or proper to be joined as parties, in order to make its judgment, order effective, may be joined as parties. The final judgment in any action or proceeding shall either dismiss the action or proceeding or grant relief by mandamus or injunction or be made permanent as prayed for in the complaint, or in such modified or other form as will afford appropriate relief. An appeal may be taken from such final judgment as in other civil cases.

(Source: P.A. 84-617.)

(220 ILCS 5/4-203) (from Ch. 111 2/3, par. 4-203)

Sec. 4-203. Action to recover penalties.

(a) Except as provided in subsection (b) with respect to telecommunications carriers as defined in Section 13-202:

(1) All civil penalties established under this Act shall be assessed and collected by the Commission. Except for the penalties provided under Section 2-202, civil penalties may be assessed only after notice and opportunity to be heard. Any such civil penalty may be compromised by the Commission. In

determining the amount of the penalty, or the amount agreed to in compromise, the Commission shall consider the appropriateness of the penalty to the size of the business of the public utility, corporation other than a public utility, or person acting as a public utility charged, the gravity of the violation, and the good faith of the public utility, corporation other than a public utility, or person acting as a public utility charged in attempting to achieve compliance after notification of a violation. Nothing in this Section, however, increases or decreases any minimum or maximum penalty prescribed elsewhere in this Act.

(2) If timely judicial review of a Commission order that imposes a civil penalty is taken by the public utility, corporation other than a public utility, or person acting as a public utility on which the civil penalty has been imposed, the reviewing court shall enter a judgment on all amounts upon affirmance of the Commission order. If timely judicial review is not taken and the civil penalty remains unpaid for 60 days after service of the order, the Commission in its discretion may either begin revocation proceedings or bring suit to recover the penalties. Unless stayed by a reviewing court, interest shall accrue from 60 days after the date of service of the Commission order.

(3) Actions to recover delinquent civil penalties under this Act shall be brought in the name of the People of the State of Illinois in the circuit court in and for the county in which the cause, or some part thereof, arose, or in which the

[Feb. 24, 2000]

corporation complained of, if any, has its principal place of business, or in which the person, if any, complained of, resides. The action shall be commenced and prosecuted to final judgment by the Commission. In any such action, all interest incurred up to the time of final court judgment may be sued for and recovered in that action. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions, except as otherwise herein provided. All fines and penalties recovered by the State in any such action shall be paid into the State treasury to the credit of the General Revenue Fund. Any such action may be compromised or discontinued on application of the Commission upon such terms as the court shall approve and order.

(4) Civil penalties related to the late filing of reports, taxes, or other filings shall be paid into the State Treasury to the credit of the Public Utility Fund. Except as otherwise provided in this Act, all other fines and civil penalties shall be paid into the State Treasury to the credit of the General Revenue Fund.

(b) This subsection shall apply to telecommunications carriers as defined in Section 13-202. Except as otherwise provided in this Act, actions to recover penalties under this Act shall be brought in the name of the People of the State of Illinois in the circuit court in and for the county in which the cause, or some part thereof, arose, or in which the corporation complained of, if any, has its principal

place of business, or in which the person, if any, complained of, resides. The action shall be commenced and prosecuted to final judgment by the Commission. In any such action, all penalties incurred up to the time of commencing the same may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions, except as otherwise herein provided. All fines and penalties recovered by the State in any such action shall be paid into the State treasury to the credit of the general fund. Any such action may be compromised or discontinued on application of the Commission upon such terms as the court shall approve and order.

(Source: P.A. 84-617.)

(220 ILCS 5/5-202) (from Ch. 111 2/3, par. 5-202)

Sec. 5-202. Violations; penalty.

(a) Except as provided in subsection (b) with respect to telecommunications carriers as defined in Section 13-202, any public utility, any corporation other than a public utility, or any person acting as a public utility that violates or fails to comply with any provisions of this Act, or that fails to obey, observe, or comply with any order, decision, rule, regulation, direction, or requirement, or any part or provision thereof, of the Commission, made or issued under authority of this Act, in a case in which a penalty is not otherwise provided for in this Act, shall be subject to a civil penalty imposed in the manner provided in Section 4-203. A small public utility, as defined in subsection (b) of Section 4-502 of this Act, is subject to a civil penalty of not less than \$500 nor more than \$2,000 for each and every offense. All other public utilities, corporations other than a public utility, and persons acting as a public utility are subject to a civil penalty of up to \$30,000 for each and every offense.

Every violation of the provisions of this Act or of any order, decision, rule, regulation, direction, or requirement of the Commission, or any part or portion thereof by any corporation or person, is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof shall be a separate and distinct offense, provided, however, the cumulative

[Feb. 24, 2000]

penalty for any continuing violation shall not exceed \$500,000.

In construing and enforcing the provisions of this Act relating to penalties, the act, omission, or failure of any officer, agent, or employee of any public utility, corporation other than a public utility, or person acting as a public utility that is acting within the scope of his official duties or employment shall in every case be deemed to be the act, omission, or failure of such public utility, corporation other than a public utility, or person acting as a public utility.

If the party who has violated or failed to comply with this Act or an order, decision, rule, regulation, direction, or requirement of the Commission or any part or provision thereof fails to seek review pursuant to Sections 10-113 and 10-201 of this Act within 30 days after service of the order, the party shall, upon expiration of the 30 days, be subject to the civil penalty provision of this Section.

(b) This subsection shall apply to telecommunications carriers as defined in Section 13-202. Any public utility or any corporation other than a public utility, which violates or fails to comply with any provisions of this Act, or which fails to obey, observe or comply with any order, decision, rule, regulation, direction, or requirement or any part or provision thereof, of the Commission, made or issued under authority of this Act, in a case in which a penalty is not otherwise provided for in this Act, shall be subject to a civil penalty imposed in the manner provided in Section 4-203 of not less than \$500 nor more than \$2,000 for each and every offense.

Every violation of the provisions of this Act or of any order, decision, rule, regulation, direction, or requirement of the Commission, or any part or portion thereof by any corporation or person, is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof shall be a separate and distinct offense.

In construing and enforcing the provisions of this Act relating to penalties, the act, omission, or failure of any officer, agent, or employee of any public utility acting within the scope of his official duties or employment, shall in every case be deemed to be the act, omission, or failure of such public utility.

If the party who has violated or failed to comply with this Act or an order, decision, rule, regulation, direction, or requirement of the Commission or any part or provision thereof, fails to seek review pursuant to Sections 10-113 and 10-201 of this Act within 30 days after ~~of~~ service of the order, the party shall, upon expiration of the 30 days, be subject to the civil penalty provision of this Section.

No penalties shall accrue under this provision until 15 days after the mailing of a notice to such party or parties that they are in violation of or have failed to comply with the Act or order, decision, rule, regulation, direction, or requirement of the Commission or any part or provision thereof.

(Source: P.A. 87-164.)

(220 ILCS 5/16-125)

Sec. 16-125. Transmission and distribution reliability requirements.

(a) To assure the reliable delivery of electricity to all customers in this State and the effective implementation of the provisions of this Article, the Commission shall, within 180 days of the effective date of this Article, adopt rules and regulations for assessing and assuring the reliability of the transmission and distribution systems and facilities that are under the Commission's jurisdiction.

(b) These rules and regulations shall require each electric

[Feb. 24, 2000]

utility or alternative retail electric supplier owning, controlling, or operating transmission and distribution facilities and equipment subject to the Commission's jurisdiction, referred to in this Section as "jurisdictional entities", to adopt and implement procedures for restoring transmission and distribution services to customers after transmission or distribution outages on a nondiscriminatory basis

without regard to whether a customer has chosen the electric utility, an affiliate of the electric utility, or another entity as its provider of electric power and energy. These rules and regulations shall also, at a minimum, specifically require each jurisdictional entity to submit annually to the Commission.

(1) the number and duration of planned and unplanned outages during the prior year and their impacts on customers;

(2) outages that were controllable and outages that were exacerbated in scope or duration by the condition of facilities, equipment or premises or by the actions or inactions of operating personnel or agents;

(3) customer service interruptions that were due solely to the actions or inactions of an alternative retail electric supplier or a public utility in supplying power or energy;

(4) a detailed report of the age, current condition, reliability and performance of the jurisdictional entity's existing transmission and distribution facilities, which shall include, without limitation, the following data:

(i) a summary of the jurisdictional entity's outages and voltage variances reportable under the Commission's rules;

(ii) the jurisdictional entity's expenditures for transmission construction and maintenance, the ratio of those expenditures to the jurisdictional entity's transmission investment, and the average remaining depreciation lives of the entity's transmission facilities, expressed as a percentage of total depreciation lives;

(iii) the jurisdictional entity's expenditures for distribution construction and maintenance, the ratio of those expenditures to the jurisdictional entity's distribution investment, and the average remaining depreciation lives of the entity's distribution facilities, expressed as a percentage of total depreciation lives;

(iv) a customer satisfaction survey covering, among other areas identified in Commission rules, reliability, customer service, and understandability of the jurisdictional entity's services and prices; and

(v) the corresponding information, in the same format, for the previous 3 years, if available;

(5) a plan for future investment and reliability improvements for the jurisdictional entity's transmission and distribution facilities that will ensure continued reliable delivery of energy to customers and provide the delivery reliability needed for fair and open competition; and

(6) a report of the jurisdictional entity's implementation of its plan filed pursuant to subparagraph (5) for the previous reporting period.

(c) The Commission rules shall set forth the criteria that will be used to assess each jurisdictional entity's annual report and evaluate its reliability performance. Such criteria must take into account, at a minimum: the items required to be reported in subsection (b); the relevant characteristics of the area served; the age and condition of the system's equipment and facilities; good engineering practices; the costs of potential actions; and the

[Feb. 24, 2000]

benefits of avoiding the risks of service disruption.

(d) At least every 3 years, beginning in the year the Commission issues the rules required by subsection (a) or the following year if the rules are issued after June 1, the Commission shall assess the annual report of each jurisdictional entity and evaluate its reliability performance. The Commission's evaluation shall include specific identification of, and recommendations concerning, any potential reliability problems that it has identified as a result of its evaluation.

(e) In the event that more than 30,000 customers of an electric utility are subjected to a continuous power interruption of 4 hours or more that results in the transmission of power at less than 50% of the standard voltage, or that results in the total loss of power transmission, the utility shall be responsible for compensating customers affected by that interruption for 4 hours or more for all actual damages, which shall not include consequential damages, suffered as a result of the power interruption. The utility shall also reimburse the affected municipality, county, or other unit of local government in which the power interruption has taken place for all emergency and contingency expenses incurred by the unit of local government as a result of the interruption. A waiver of the requirements of this subsection may be granted by the Commission in instances in which the utility can show that the power interruption was a result of any one or more of the following causes:

(1) Unpreventable damage due to weather events or conditions.

(2) Customer tampering.

(3) Unpreventable damage due to civil or international unrest or animals.

(4) Damage to utility equipment or other actions by a party other than the utility, its employees, agents, or contractors. Loss of revenue and expenses incurred in complying with this subsection may not be recovered from ratepayers.

(f) In the event of a power surge or other fluctuation that causes damage and affects more than 30,000 customers, the electric utility shall pay to affected customers the replacement value of all goods damaged as a result of the power surge or other fluctuation unless the utility can show that the power surge or other fluctuation was due to one or more of the following causes:

(1) Unpreventable damage due to weather events or conditions.

(2) Customer tampering.

(3) Unpreventable damage due to civil or international unrest or animals.

(4) Damage to utility equipment or other actions by a party other than the utility, its employees, agents, or contractors. Loss of revenue and expenses incurred in complying with this subsection may not be recovered from ratepayers. Customers with respect to whom a waiver has been granted by the Commission pursuant to subparagraphs (1)-(4) of subsections (e) and (f) shall not count toward the 30,000 customers required therein.

(g) Whenever an electric utility must perform planned or routine maintenance or repairs on its equipment that will result in transmission of power at less than 50% of the standard voltage, loss

of power, or power fluctuation (as defined in subsection (f)), the utility shall make reasonable efforts to notify potentially affected customers no less than 24 hours in advance of performance of the repairs or maintenance.

(h) Remedies provided for under this Section may be sought exclusively through the Illinois Commerce Commission as provided

[Feb. 24, 2000]

under Section 10-109 of this Act. Damages awarded under this Section for a power interruption shall be limited to actual damages, which shall not include consequential damages, and litigation costs. Damage awards and other amounts assessed against an electric utility under this Section may not be paid out of utility rate funds, except that if the electric utility prevails in whole or in part in showing that the power interruption or power surge or other fluctuation was due to one or more of the causes set forth in subsections (e)(1) through (e)(4) or (f)(1) through (f)(4), the electric utility may request and the Commission may determine that some or all of the consultant expenses assessed against it under this subsection are recoverable to the extent permitted by this Act. If the Commission receives a formal request for a waiver under subsection (e) or (f), either in a filing by the electric utility which initiates a formal proceeding or in a filing made by the utility in a formal complaint brought by one or more customers under subsection (e) or (f), the Commission is authorized to retain consultants with technical expertise who are independent of the utility and of interested parties to assist the Commission or its staff in resolving such request. The Commission shall assess the electric utility for the reasonable fees and expenses of such consultants. Any technical consultants used by the Commission as part of a hearing on a waiver request shall be subject to cross-examination and the rules of the Commission governing ex parte communication. The affected public utility must be provided with a copy of any written report submitted or produced by a technical consultant retained by the Commission, and the affected public utility must be given an opportunity to comment on and respond to any analyses, conclusions or reports issued by any technical consultant.

(i) The provisions of this Section shall not in any way diminish or replace other civil or administrative remedies available to a customer or a class of customers.

(j) The Commission shall by rule require an electric utility to maintain service records detailing information on each instance of transmission of power at less than 50% of the standard voltage, loss of power, or power fluctuation (as defined in subsection (f)), that affects 10 or more customers. Occurrences that are momentary shall not be required to be recorded or reported. The service record shall include, for each occurrence, the following information:

- (1) The date.
- (2) The time of occurrence.
- (3) The duration of the incident.
- (4) The number of customers affected.
- (5) A description of the cause.
- (6) The geographic area affected.

(7) The specific equipment involved in the fluctuation or interruption.

(8) A description of measures taken to restore service.

(9) A description of measures taken to remedy the cause of the power interruption or fluctuation.

(10) A description of measures taken to prevent future occurrence.

(11) The amount of remuneration, if any, paid to affected customers.

(12) A statement of whether the fixed charge was waived for affected customers.

Copies of the records containing this information shall be available for public inspection at the utility's offices, and copies thereof may be obtained upon payment of a fee not exceeding the reasonable cost of reproduction. A copy of each record shall be

[Feb. 24, 2000]

234

filed with the Commission and shall be available for public inspection. Copies of the records may be obtained upon payment of a fee not exceeding the reasonable cost of reproduction.

(k) The requirements of subsections (e) through (j) of this Section shall apply only to an electric public utility having 1,000,000 or more customers.

(Source: P.A. 90-561, eff. 12-16-97.)

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Klemm, **Senate Bill No. 1672** was recalled from the order of third reading to the order of second reading.

Senator Klemm offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1672 by replacing everything after the enacting clause with the following:

"Section 5. The Department of Natural Resources Act is amended by changing Section 5-10 as follows:

(20 ILCS 801/5-10)

Sec. 5-10. Additional powers. With respect to the water resources of the State, the Office of Water Resources shall have the following powers:

(a) To study and investigate ways and means by which the various water uses may be coordinated to the end that the water resources of the State be put to their maximum beneficial use and, in connection therewith, to request any department or agency of the State to make surveys, studies, investigations, prepare plans, reports and furnish such data and information as may be necessary.

(b) To coordinate, determine and provide ways and means for the equitable reconciliation and adjustment of the various conflicting claims and rights to water by users or uses.

(c) To recommend legislation for the most feasible method or methods of conserving water resources and putting them to the maximum possible use, taking into account the problems of navigation, flood control, river flow control and stabilization, reclamation, drainage and recapture, and further utilization of water after use for any purpose, domestic and industrial use, irrigation of land, municipal use, development of electric energy, public health, recreational, fish and game life, and other beneficial use.

(d) To undertake regulatory flood hazard mapping within this State.

(e) To inspect and prescribe standards of repair, maintenance and improvement of the facilities and properties of the Metro-East Sanitary District.

(f) To study the development, use, and management of groundwater resources in the State of Illinois and the need to implement county groundwater quantity management plans. This study must be completed and filed with the Governor and the General Assembly on or before January 1, 2001.

(Source: P.A. 89-445, eff. 2-7-96; 90-14, eff. 7-1-97.)

Section 99. Effective date. This Act takes effect upon becoming law."

[Feb. 24, 2000]

235

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Peterson, **Senate Bill No. 1674** was recalled from the order of third reading to the order of second reading.

Senator Peterson offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1674, on page 1, line 27, page 3, line 7, page 4, line 16, page 5, line 24, and page 11, line 27, by replacing "authorizations", each time it appears, with "authorization"; and

on page 2, by replacing lines 10 through 13 with the following:

"include an arrangement whereby the service provider reflects the amount of a purchase as a credit on an account for a customer under an existing subscription plan."; and

on page 3, by replacing lines 20 through 23 with the following:

"include an arrangement whereby the service provider reflects the amount of the purchase as a credit on an account for a customer under an existing subscription plan."; and

on page 4, by replacing lines 29 through 32 with the following:

"include an arrangement whereby the service provider reflects the amount of the purchase as a credit on an account for a customer under

an existing subscription plan."; and
on page 6, by replacing lines 5 through 10 with the following:
"include an arrangement whereby the service provider reflects the
amount of the purchase as a credit on an account for a customer under
an existing subscription plan.

Section 25. The Telecommunications Excise Tax Act is amended by
changing Sections 2, 3, 4, and 6 as follows:"; and
on page 12, immediately below line 27, by inserting the following:
"(35 ILCS 630/4) (from Ch. 120, par. 2004)

Sec. 4. Until December 31, 1997, a tax is imposed upon the act
or privilege of originating in this State or receiving in this State
interstate telecommunications by a person in this State at the rate
of 5% of the gross charge for such telecommunications purchased at
retail from a retailer by such person. Beginning January 1, 1998, a
tax is imposed upon the act or privilege of originating in this State
or receiving in this State interstate telecommunications by a person
in this State at the rate of 7% of the gross charge for such
telecommunications purchased at retail from a retailer by such
person. To prevent actual multi-state taxation of the act or
privilege that is subject to taxation under this paragraph, any
taxpayer, upon proof that that taxpayer has paid a tax in another
state on such event, shall be allowed a credit against the tax
imposed in this Section 4 to the extent of the amount of such tax
properly due and paid in such other state. However, such tax is not
imposed on the act or privilege to the extent such act or privilege
may not, under the Constitution and statutes of the United States, be
made the subject of taxation by the State. Beginning on January 1,
2001, prepaid telephone calling arrangements shall not be considered
telecommunications subject to the tax imposed under this Act.

(Source: P.A. 90-548, eff. 12-4-97.)"; and
on page 23, by replacing lines 12 and 13 with the following:
"be subject to the tax imposed under this Section. For purposes of
this Section,".

[Feb. 24, 2000]

236

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1
was ordered engrossed; and the bill, as amended, was ordered to a
third reading.

On motion of Senator Peterson, **Senate Bill No. 1680** was recalled
from the order of third reading to the order of second reading.

Senator Peterson offered the following amendment and moved its
adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1680 as follows:
by replacing everything after the enacting clause with the following:

"Section 5. The Code of Civil Procedure is amended by changing
Section 7-103.53 and by adding Sections 7-103.97, 7-103.98, 7-103.99,
7-103.100, 7-103.101, 7-103.102, 7-103.103, 7-103.104, 7-103.105, and
7-103.106 as follows:

(735 ILCS 5/7-103.53)

Sec. 7-103.53. Quick-take; Village of Elmwood Park. Quick-take proceedings under Section 7-103 may be used for a period of 3 years after July 1, 2000 ~~1997~~, by the Village of Elmwood Park to be used only for the acquisition of commercially zoned property within the area designated as the Tax Increment Redevelopment Project Area by ordinance passed and approved on December 15, 1986, as well as to be used only for the acquisition of commercially zoned property located at the northwest corner of North Avenue and Harlem Avenue and commercially zoned property located at the southwest corner of Harlem Avenue and Armitage Avenue for redevelopment purposes, as set forth in Division 74.3 of Article 11 of the Illinois Municipal Code. (Source: P.A. 91-357, eff. 7-29-99.)

(735 ILCS 5/7-103.97 new)

Sec. 7-103.97. Quick-take; City of Northlake. Quick-take proceedings under Section 7-103 may be used for a period of 2 years after the effective date of this amendatory Act of the 91st General Assembly by the City of Northlake for the acquisition of the south 6 feet of a parking area abutting the state right-of-way for Route 64 (North Avenue) located in the City of Northlake in Cook County in order to re-align the service road and create additional parking.

(735 ILCS 5/7-103.98 new)

Sec. 7-103.98. Quick-take; Fox Metro Water Reclamation District. Quick-take proceedings under Section 7-103 may be used by the Fox Metro Water Reclamation District for a period of 12 months after the effective date of this amendatory Act of the 91st General Assembly for the acquisition of the following described property for the purpose of constructing gravity interceptor sewers and a pump station to force the main to convey sanitary sewer flow from the Southwest Service Area to the existing Fox Metro Water Reclamation District wastewater treatment plant:

(PART OF PARCEL ONE):

THE NORTHERLY 60 FEET OF THE FOLLOWING DESCRIBED PART OF THE EAST HALF OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF THE WEST HALF OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHERLY OF A LINE CONSTRUCTED 50.00 FEET SOUTHERLY OF, AND PARALLEL WITH, THE CENTERLINE OF ILLINOIS STATE ROUTE NUMBER 71 (MEASURED AT RIGHT ANGLES TO SAID CENTERLINE) AND LYING EASTERLY OF A LINE CONSTRUCTED AT RIGHT ANGLES TO SAID CENTERLINE OF ROUTE 71 AT A POINT 1738.31 FEET EASTERLY OF THE HEREIN DESCRIBED POINT OF INTERSECTION OF SAID CENTERLINE OF ROUTE 71 WITH THE CENTERLINE OF MINKLER ROAD

[Feb. 24, 2000]

(AS MEASURED ALONG SAID CENTERLINE OF ROUTE 71);

THAT PART OF THE EAST HALF OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF THE WEST HALF OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19; THENCE NORTH 0° 31' 0" EAST ALONG THE WEST LINE OF SAID SECTION 19, 124.74 FEET; THENCE NORTH 89° 02' 23" EAST, 673.2 FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 89° 02' 23" WEST, 2798.2 FEET TO THE CENTERLINE OF

MINKLER ROAD; THENCE NORTH 00° 31' 56" EAST ALONG SAID CENTERLINE, 2736.40 FEET TO THE CENTERLINE OF STATE ROUTE NO. 71; THENCE NORTH 00° 06' 45" EAST, 1086.00 FEET TO THE SOUTHERLY BANK OF THE FOX RIVER; THENCE EASTERLY ALONG SAID SOUTHERLY BANK TO A LINE DRAWN NORTH 00° 31' 00" EAST, PARALLEL WITH THE WEST LINE OF SAID SECTION 19, FROM THE POINT OF BEGINNING; THENCE SOUTH 00° 31' 00" WEST ALONG SAID PARALLEL LINE, 4229.04 FEET TO THE POINT OF BEGINNING (EXCEPT THE RIGHT-OF-WAY OF THE CHICAGO, BURLINGTON AND QUINCY RAILROAD AND ALSO EXCEPT THAT PART THEREOF DESCRIBED BY WARRANTY DEED DATED APRIL 5, 1982 AND RECORDED JUNE 3, 1982 AS DOCUMENT 82-1863; AND ALSO EXCEPT THAT PART THEREOF DESCRIBED IN QUIT CLAIM DEED DATED JUNE 2, 1982 AND RECORDED DECEMBER 9, 1983 AS DOCUMENT 83-5667) AND EXCEPT THAT PART OF THE NORTHWEST QUARTER OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19; THENCE NORTH 00° 31' 00" EAST ALONG THE WEST LINE OF SAID SECTION 19, 124.74 FEET; THENCE NORTH 89° 02' 23" EAST, 673.2 FEET; THENCE NORTH 00° 31' 00" EAST, PARALLEL WITH THE WEST LINE OF SAID SECTION, 3598.04 FEET TO A LINE DRAWN PARALLEL WITH AND 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES THERETO, THE CENTERLINE OF ILLINOIS STATE ROUTE NO. 71 FOR THE POINT OF BEGINNING; THENCE SOUTH 73° 01' 27" WEST ALONG SAID PARALLEL LINE, 140.58 FEET; THENCE NORTH 17° 21' 35" WEST, 588.19 FEET TO THE SOUTHERLY BANK OF THE FOX RIVER; THENCE EASTERLY ALONG SAID SOUTHERLY BANK TO A LINE DRAWN NORTH 00° 31' 00" EAST, PARALLEL WITH THE WEST LINE OF SAID SECTION, FROM THE POINT OF BEGINNING; THENCE SOUTH 00° 31' 00" WEST ALONG SAID PARALLEL LINE, 624.64 FEET TO THE POINT OF BEGINNING AND ALSO EXCEPT THAT PART OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF ILLINOIS STATE ROUTE NO. 71 WITH THE CENTERLINE EXTENDED NORTH OF MINKLER ROAD; THENCE NORTH 00° 06' 45" EAST TO A LINE DRAWN PARALLEL WITH AND 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES THERETO, THE CENTERLINE OF SAID ROUTE 71 FOR THE POINT OF BEGINNING; THENCE NORTH 73° 01' 27" EAST ALONG SAID PARALLEL LINE, 130.87 FEET; THENCE NORTH 17° 09' 36" WEST, 111.0 FEET; THENCE SOUTH 79° 48' 38" WEST, 93.65 FEET TO A LINE DRAWN NORTH 00° 06' 45" EAST FROM THE POINT OF BEGINNING; THENCE SOUTH 00° 06' 45" WEST, 127.7 FEET TO THE POINT OF BEGINNING, IN THE TOWNSHIP OF OSWEGO, KENDALL COUNTY, ILLINOIS.

ALSO A 20 FOOT WIDE STRIP OF LAND OVER PART OF THE EAST HALF OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19; THENCE NORTH 00° 31' 00" EAST ALONG THE WEST LINE OF SAID SECTION 19 FOR 124.74 FEET; THENCE NORTH 89° 02' 23" EAST, 673.2 FEET; THENCE SOUTH 89° 02' 23" WEST, 2798.2 FEET TO THE CENTERLINE OF MINKLER ROAD; THENCE NORTH 00° 31' 56" EAST ALONG SAID CENTERLINE, 2736.40 FEET TO THE CENTERLINE OF STATE ROUTE NO. 71; SAID POINT HEREINAFTER REFERRED TO AS "POINT A"; THENCE EASTERLY ALONG SAID CENTERLINE OF STATE ROUTE NO. 71 FOR 1768.31 FEET; THENCE SOUTHERLY ALONG A LINE FORMING AN ANGLE OF 89° 18' 00" WITH SAID CENTERLINE (AS MEASURED

[Feb. 24, 2000]

COUNTER-CLOCKWISE THEREFROM), 50.00 FEET TO THE POINT OF BEGINNING OF SAID EASEMENT CENTERLINE AT THE POINT OF INTERSECTION WITH A LINE CONSTRUCTED 50.00 FEET SOUTHERLY OF, AND PARALLEL WITH, SAID CENTERLINE OF ROUTE 71 (AS MEASURED AT RIGHT ANGLES TO SAID CENTERLINE); THENCE NORTHERLY ALONG THE LAST DESCRIBED COURSE AND THE NORTHERLY EXTENSION THEREOF, 110.02 FEET; THENCE NORTHERLY ALONG A LINE FORMING AN ANGLE OF 170° 00' 00" WITH THE LAST DESCRIBED COURSE (AS MEASURED COUNTER-CLOCKWISE THEREFROM), 609.58 FEET TO THE POINT OF INTERSECTION WITH A LINE CONSTRUCTED 10 FEET SOUTHERLY OF, AND PARALLEL OR CONCENTRIC WITH, THE SOUTH LINE OF THE FORMER CHICAGO BURLINGTON AND QUINCY RAILROAD RIGHT OF WAY (SAID SOUTH LINE LYING 25.00 FEET SOUTHERLY OF THE ORIGINAL CENTERLINE OF SAID RAILROAD); THENCE WESTERLY ALONG SAID LINE CONSTRUCTED 10.00 FEET SOUTHERLY OF SAID SOUTHERLY RIGHT OF WAY LINE TO THE POINT OF TERMINUS OF SAID EASEMENT CENTERLINE AT THE POINT OF INTERSECTION WITH A LINE CONSTRUCTED NORTH 00° 06' 45" EAST FROM SAID "POINT A", IN THE TOWNSHIP OF OSWEGO, KENDALL COUNTY, ILLINOIS.

ALSO A 30 FOOT WIDE STRIP OF LAND OVER PART OF THE EAST HALF OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, THE EASTERLY AND NORTHERLY LINES OF WHICH LIE 10.00 FEET WESTERLY OR SOUTHERLY OF THE REFERENCE LINE WHICH IS DESCRIBED AS FOLLOWS (AS MEASURED AT RIGHT ANGLES TO SAID REFERENCE LINE):

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19; THENCE NORTH 00° 31' 00" EAST ALONG THE WEST LINE OF SAID SECTION 19, 124.74 FEET; THENCE NORTH 89° 02' 23" EAST, 673.2 FEET; THENCE SOUTH 89° 02' 23" WEST, 2798.2 FEET TO THE CENTERLINE OF MINKLER ROAD; THENCE NORTH 00° 31' 56" EAST ALONG SAID CENTERLINE, 2736.40 FEET TO THE CENTERLINE OF STATE ROUTE NO. 71; SAID POINT HEREINAFTER REFERRED TO AS "POINT A"; THENCE EASTERLY ALONG SAID CENTERLINE OF STATE ROUTE NO. 71 FOR 1768.31 FEET; THENCE SOUTHERLY ALONG A LINE FORMING AN ANGLE OF 89° 18' 00" WITH SAID CENTERLINE (AS MEASURED COUNTER-CLOCKWISE THEREFROM), 50.00 FEET TO THE POINT OF BEGINNING OF SAID REFERENCE LINE AT THE POINT OF INTERSECTION WITH A LINE CONSTRUCTED 50.00 FEET SOUTHERLY OF, AND PARALLEL WITH, SAID CENTERLINE OF ROUTE 71 (AS MEASURED AT RIGHT ANGLES TO SAID CENTERLINE); THENCE NORTHERLY ALONG THE LAST DESCRIBED COURSE AND THE NORTHERLY EXTENSION THEREOF, 110.02 FEET; THENCE NORTHERLY ALONG A LINE FORMING AN ANGLE OF 170° 00' 00" WITH THE LAST DESCRIBED COURSE (AS MEASURED COUNTER-CLOCKWISE THEREFROM), 609.58 FEET TO THE POINT OF INTERSECTION WITH A LINE CONSTRUCTED 10 FEET SOUTHERLY OF, AND PARALLEL OR CONCENTRIC WITH, THE SOUTH LINE OF THE FORMER CHICAGO BURLINGTON AND QUINCY RAILROAD RIGHT OF WAY (SAID SOUTH LINE LYING 25.00 FEET SOUTHERLY OF THE ORIGINAL CENTERLINE OF SAID RAILROAD); THENCE WESTERLY ALONG SAID LINE CONSTRUCTED 10.00 FEET SOUTHERLY OF SAID SOUTHERLY RIGHT OF WAY LINE TO THE POINT OF TERMINUS OF SAID EASEMENT REFERENCE LINE AT THE POINT OF INTERSECTION WITH A LINE CONSTRUCTED NORTH 00° 06' 45" EAST FROM SAID "POINT A", IN THE TOWNSHIP OF OSWEGO, KENDALL COUNTY, ILLINOIS.

(NORTHERLY 60 FEET OF PARCEL TWO):

THE NORTHERLY 60 FEET OF THAT PART OF THE FOLLOWING DESCRIBED PART OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHERLY OF A LINE CONSTRUCTED 50.00 FEET SOUTHERLY OF, AND PARALLEL OR CONCENTRIC WITH, THE CENTERLINE OF ILLINOIS STATE ROUTE NO. 71 (SAID NORTHERLY 60 FEET MEASURED AT RIGHT ANGLES TO SAID CENTERLINE OF ROUTE 71);

THAT PART OF SECTION 19 AND PART OF THE NORTH HALF OF SECTION 30, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN,

DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19; THENCE NORTH 00° 31' 00" EAST ALONG THE WEST LINE OF SAID SECTION 19, 124.74 FEET;

[Feb. 24, 2000]

239

THENCE NORTH 89° EAST 673.2 FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 00° 31' 00" WEST, PARALLEL WITH THE WEST LINE OF SAID SECTION 19, 405.49 FEET; THENCE NORTH 88° 37' 20" EAST, 997.92 FEET; THENCE SOUTH 5° 09' 38" WEST, 1123.98 FEET; THENCE NORTH 89° 06' 07" EAST, 915.42 FEET; THENCE NORTH 00° 48' 40" WEST, PARALLEL WITH THE EAST LINE OF SAID SECTION 30, 1168.86 FEET; THENCE SOUTH 89° 00' 37" WEST, 1018.38 FEET; THENCE NORTH 00° 12' 45" WEST, 4161.87 FEET TO THE NORTHERLY LINE OF STATE ROUTE 71; THENCE SOUTH 72° 58' 00" WEST ALONG SAID NORTHERLY LINE, 758.76 FEET TO A LINE DRAWN NORTH 00° 31' 00" EAST, PARALLEL WITH THE WEST LINE OF SAID SECTION 19, FROM THE POINT OF BEGINNING; THENCE SOUTH 00° 31' 00" WEST, ALONG SAID PARALLEL LINE, 3604.33 FEET TO THE POINT OF BEGINNING; (EXCEPT THAT PART OF THE SOUTHWEST QUARTER OF SAID SECTION 19 AND PART OF THE NORTH HALF OF SAID SECTION 30 DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 19; THENCE NORTH 00° 31' 00" EAST ALONG THE WEST LINE OF SAID SECTION 19, 124.74 FEET; THENCE NORTH 89° 00' 00" EAST, 673.20 FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 00° 31' 00" WEST ALONG A LINE DRAWN PARALLEL WITH THE WEST LINE OF SAID SECTION 19, 405.49 FEET; THENCE NORTH 88° 37' 20" EAST, 997.92 FEET; THENCE SOUTH 5° 09' 38" WEST, 1,123.98 FEET; THENCE NORTH 89° 06' 07" EAST, 915.42 FEET; THENCE NORTH 00° 48' 40" WEST, PARALLEL WITH THE EAST LINE OF SAID SECTION 30, 1,168.86 FEET; THENCE SOUTH 89° 00' 37" WEST, 1,018.38 FEET; THENCE SOUTH 88° 37' 20" WEST, 726.80 FEET; THENCE NORTH 00° 31' 00" EAST, 402.44 FEET; THENCE NORTH 89° 29' 00" WEST, 50.0 FEET TO A LINE DRAWN PARALLEL WITH THE WEST LINE OF SAID SECTION 19 FROM THE POINT OF BEGINNING; THENCE SOUTH 00° 31' 00" WEST, 50.0 FEET TO THE POINT OF BEGINNING), IN THE TOWNSHIP OF OSWEGO, KENDALL COUNTY, ILLINOIS. (NORTHERLY 60 FEET OF PARCEL THREE):

THE NORTHERLY 60 FEET OF THAT PART OF THE FOLLOWING DESCRIBED PART OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHERLY OF A LINE CONSTRUCTED 50.00 FEET SOUTHERLY OF, AND PARALLEL OR CONCENTRIC WITH, THE CENTERLINE OF ILLINOIS STATE ROUTE NO. 71 (SAID NORTHERLY 60 FEET MEASURED AT RIGHT ANGLES TO SAID CENTERLINE OF ROUTE 71);

THAT PART OF THE EAST HALF OF SECTION 19 AND THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 30; THENCE SOUTH ALONG THE EIGHTY LINE 2.17 CHAINS FOR THE POINT OF BEGINNING; THENCE WESTERLY, 11.71 CHAINS ALONG A LINE MAKING AN ANGLE OF 89° 10' TO THE RIGHT WITH SAID EIGHTY LINE; THENCE NORTHERLY ALONG A LINE MAKING AN ANGLE OF 91° 32' TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE TO THE SOUTHERLY LINE OF ILLINOIS STATE ROUTE 71 (F.A. ROUTE 97); THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE EAST LINE OF THE WEST HALF OF THE EAST HALF OF SECTION 19; THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF SECTION 30; THENCE EAST ALONG SAID NORTH LINE TO THE

NORTHEAST CORNER OF SECTION 30; THENCE SOUTH TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE WEST ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, 16.15 CHAINS; THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER TO A POINT 2 CHAINS SOUTH OF THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE WESTERLY, 3.65 CHAINS TO THE POINT OF BEGINNING; (EXCEPT THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 LOCATED IN SECTION 19, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KENDALL COUNTY, AS DEDICATED BY THE INSTRUMENT DATED SEPTEMBER 13, 1938 AND RECORDED JUNE 24, 1939 IN DEED RECORD 93, PAGE 76 IN KENDALL COUNTY, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE

[Feb. 24, 2000]

240

OF SAID WEST HALF OF THE NORTHEAST QUARTER OF SECTION 19 WITH THE SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 AS DEDICATED JANUARY 1939; THENCE WESTERLY ALONG THE SAID SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 AS DEDICATED ON A RADIUS OF 3769.83 FEET FOR AN ARC DISTANCE OF 743.58 FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 00° 30' 39" WEST, 400.00 FEET; THENCE EASTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LINE A DISTANCE OF 150.00 FEET; THENCE NORTH 00° 30' 39" EAST, 428.26 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 AS DEDICATED; THENCE NORTHWESTERLY ALONG THE SAID SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 AS DEDICATED ALONG A CURVE, 152.65 FEET HAVING A RADIUS OF 3769.83 FEET TO THE POINT OF BEGINNING), (AND LESS AND EXCEPT THE FOLLOWING THAT PART OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, 1065.90 FEET (16.15 CHAINS); THENCE NORTHERLY PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER, BEING ALONG A LINE WHICH FORMS AN ANGLE OF 93° 02' 04" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 117.50 FEET; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 131° 28' 34" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 543.0 FEET; THENCE NORTHERLY ALONG A LINE WHICH FORMS AN ANGLE OF 172° 50' 00" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 241.0 FEET; THENCE EASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 14° 10' 00" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 115 FEET; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 207° 50' 00" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 97.0 FEET; THENCE NORTHERLY ALONG A LINE WHICH FORMS AN ANGLE OF 220° 00' 00" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 90.0 FEET; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 158° 40' 00" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 166.0 FEET; THENCE EASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 138° 18' 02" WITH THE LAST DESCRIBED LINE, MEASURED COUNTER-CLOCKWISE THEREFROM, A DISTANCE OF 126.56 FEET TO SAID EAST LINE; THENCE SOUTH ALONG SAID EAST LINE, 957.37 FEET TO THE POINT OF BEGINNING) IN OSWEGO TOWNSHIP, KENDALL COUNTY, ILLINOIS.

LEGAL DESCRIPTION OF EASEMENT ACQUISITION BY FOX METRO WATER
RECLAMATION DISTRICT OVER LANDS OF VERNON A AND BOBETT L. SHOGER
01/10/00

THE NORTHERLY 60 FEET OF THAT PART OF THE WEST HALF OF THE NORTHEAST
QUARTER LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY LINE OF
ILLINOIS ROUTE 71 LOCATED IN SECTION 19, TOWNSHIP 37 NORTH, RANGE 8
EAST OF THE THIRD PRINCIPAL MERIDIAN IN KENDALL COUNTY, AS DEDICATED
BY THE INSTRUMENT DATED SEPTEMBER 13, 1938 AND RECORDED JUNE 24, 1939
IN DEED RECORD 93, PAGE 76 IN KENDALL COUNTY, DESCRIBED AS FOLLOWS
(AS MEASURED AT RIGHT ANGLES TO SAID SOUTHERLY RIGHT OF WAY LINE):
COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID WEST HALF OF
THE NORTHEAST QUARTER OF SECTION 19 WITH THE SOUTHERLY RIGHT OF WAY
LINE OF ILLINOIS 71 AS DEDICATED JANUARY 1939; THENCE WESTERLY ALONG
THE SAID SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 AS
DEDICATED ON A RADIUS OF 3769.83 FEET FOR AN ARC DISTANCE OF 743.58
FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 00° 30' 39" WEST,
400.00 FEET; THENCE EASTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED
LINE A DISTANCE OF 150.00 FEET; THENCE NORTH 00° 30' 39" EAST, 428.26
FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 71 AS
DEDICATED; THENCE NORTHWESTERLY ALONG THE SAID SOUTHERLY RIGHT OF WAY
LINE OF ILLINOIS ROUTE 71 AS DEDICATED ALONG A CURVE, 152.65 FEET

[Feb. 24, 2000]

241

HAVING A RADIUS OF 3769.83 FEET TO THE POINT OF BEGINNING, IN THE
TOWNSHIP OF OSWEGO, KENDALL COUNTY, ILLINOIS.

(735 ILCS 5/7-103.99 new)

Sec. 7-103.99. Quick-take; City of Northlake. Quick-take
proceedings under Section 7-103 may be used for a period of 48 months
after the effective date of this amendatory Act of the 91st General
Assembly by the City of Northlake for the acquisition of the
following described property for the purpose of developing a
subsidized senior housing complex:

(a) Lots 15 and 16 in Block 14 in the H. O. Stone Northlake
Addition, a subdivision of all that part (except the railroad) North
of Lake Street of the Northeast Quarter of Section 6, Township 39
North, Range 12 East of the Third Principal Meridian recorded July 3,
1930 as Document #10697148, P.I.N. 15-06-213-035 and 15-06-213-036,
commonly known as 126 South Wolf Road.

(b) Lots 17 and 18 in Block 14 in the H. O. Stone Northlake
Addition, a subdivision of all that part (except the railroad) North
of Lake Street of the Northeast Quarter of Section 6, Township 39
North, Range 12 East of the Third Principal Meridian recorded July 3,
1930 as Document #10697148, P.I.N. 15-06-213-037 and 15-06-213-038,
commonly known as 134 South Wolf Road.

(c) Lots 19 and 20 in Block 14 in the H. O. Stone Northlake
Addition, a subdivision of all that part (except the railroad) North
of Lake Street of the Northeast Quarter of Section 6, Township 39
North, Range 12 East of the Third Principal Meridian recorded July 3,
1930 as Document #10697148, P.I.N. 15-06-213-039 and 15-06-213-040,
commonly known as 136 South Wolf Road.

(d) Lots 21 and 22 in Block 14 in the H. O. Stone Northlake
Addition, a subdivision of all that part (except the railroad) North
of Lake Street of the Northeast Quarter of Section 6, Township 39

North, Range 12 East of the Third Principal Meridian recorded July 3, 1930 as Document #10697148, P.I.N. 15-06-213-041 and 15-06-213-042, commonly known as 142 South Wolf Road.

(e) Lots 43 and 44 in Block 14 in the H. O. Stone Northlake Addition, a subdivision of all that part (except the railroad) North of Lake Street of the Northeast Quarter of Section 6, Township 39 North, Range 12 East of the Third Principal Meridian recorded July 3, 1930 as Document #10697148, P.I.N. 15-06-213-043 and 15-06-213-044, commonly known as 144 South Wolf Road.

(f) Lots 1 and 2 in Block 15 in the H. O. Stone Northlake Addition, a subdivision of all that part (except the railroad) North of Lake Street of the Northeast Quarter of Section 6, Township 39 North, Range 12 East of the Third Principal Meridian recorded July 3, 1930 as Document #10697148, P.I.N. 15-06-215-035, commonly known as 200 South Wolf Road.

(g) Lots 3 and 4 in Block 15 in the H. O. Stone Northlake Addition, a subdivision of all that part (except the railroad) North of Lake Street of the Northeast Quarter of Section 6, Township 39 North, Range 12 East of the Third Principal Meridian recorded July 3, 1930 as Document #10697148, P.I.N. 15-06-215-021, commonly known as 204 South Wolf Road.

(735 ILCS 5/7-103.100 new)

Sec. 7-103.100. Quick-take; Village of Melrose Park. Quick-take proceedings under Section 7-103 may be used for a period of 36 months after the effective date of this amendatory Act of the 91st General Assembly by the Village of Melrose Park for the acquisition of the following described property located at 3626 Lake Street, Melrose Park, for the purpose of providing additional fire and emergency services parking:

LOT 8 (EXCEPT THE NORTH 51.0 FEET THEREOF) IN HEATH'S

[Feb. 24, 2000]

RESUBDIVISION OF LOTS H, K, R AND S OF BLOCK 7 IN HENRY SOFFEL'S THIRD ADDITION TO MELROSE PARK IN THE WEST 1/2 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT PROPERTY INDEX NUMBER: 15-04-303-058.

COMMONLY DESCRIBED AS: 3626 LAKE STREET, MELROSE PARK, ILLINOIS.

(735 ILCS 5/7-103.101 new)

Sec. 7-103.101. Quick-take; Village of Stone Park. Quick-take proceedings under Section 7-103 may be used for a period of 60 months after the effective date of this amendatory Act of the 91st General Assembly by the Village of Stone Park for the acquisition of the following described property located between North Avenue and Lake Street along Mannheim Road for the purpose of installation of public safety or municipal administration buildings:

LOTS 1 TO 7 (EXCEPT WEST 54.30 FEET OF EAST 63.30 FEET OF SOUTH 88.40 FEET OF LOT 2) AND EXCEPTING THAT PART OF LOT 3 BOUNDED AND DESCRIBED AS FOLLOWS: (BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 3 A DISTANCE OF 25 FEET TO A POINT; THENCE NORTHWESTERLY ALONG A STRAIGHT LINE TO A POINT ON THE NORTH LINE OF SAID LOT 3; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 3 TO THE POINT OF BEGINNING) ALL IN BLOCK 4 IN TOWN

MANOR BEING A PART OF THE NORTH 100 ACRES OF THE NORTHEAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(735 ILCS 5/7-103.102 new)

Sec. 7-103.102. Quick-take; Village of Barrington. Quick-take proceedings under Section 7-103 may be used for a period of 24 months after the effective date of this amendatory Act of the 91st General Assembly by the Village of Barrington for the acquisition of the following described property for the purpose of business development and municipal purposes:

THAT PART OF THE SOUTHWEST 1/4 SECTION OF SECTION 36, TOWNSHIP 43 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF HOUGH AVENUE (ROUTE 59), AND THE NORTHEASTERLY RIGHT OF WAY LINE OF THE UNION PACIFIC (CHICAGO AND NORTHWESTERN) RAILWAY COMPANY; THENCE NORTH 55 DEGREES 17 MINUTES 46 SECONDS WEST ALONG SAID NORTHEASTERLY RIGHT OF WAY TO A POINT OF INTERSECTION WITH THE SOUTHERN RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN RAILWAY COMPANY; THENCE NORTHEASTERLY FOLLOWING THE SOUTHERN RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN RAILWAY COMPANY TO ITS INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF HOUGH AVENUE (ROUTE 59); THENCE SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF HOUGH AVENUE (ROUTE 59) TO THE POINT OF BEGINNING; CONTAINING 14 ACRES, MORE OR LESS.

(735 ILCS 5/7-103.103 new)

Sec. 7-103.103. Quick-take; Village of Elmwood Park. Quick-take proceedings under Section 7-103 may be used for a period of 3 years after the effective date of this amendatory Act of the 91st General Assembly by the Village of Elmwood Park for the acquisition of the following described property for the purpose of constructing a new public library facility:

PARCEL 1: THE NORTH PART OF LOTS 7 AND 8 IN BLOCK 49 IN WESTWOOD BEING MILLS AND SONS SUBDIVISION IN THE WEST 1/2 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT NORTHWEST CORNER OF SAID LOT 7 THENCE RUNNING SOUTHERLY ALONG WEST LINE OF SAID LOT A DISTANCE OF 149.0 FEET TO A POINT THENCE EASTERLY AT RIGHT ANGLE TO AFORESAID LINE A

[Feb. 24, 2000]

DISTANCE OF 52.4 FEET TO A POINT OF INTERSECTION WITH A LINE PERPENDICULAR TO EAST LINE OF LOT 8 HAVING A LENGTH OF 47.6 FEET AND 145.5 FEET SOUTH OF NORTHEAST CORNER OF LOT 8 THENCE EASTERLY ALONG AFORESAID LINE WHICH IS PERPENDICULAR TO EAST LINE OF LOT 8 A DISTANCE OF 145.5 FEET TO NORTHEAST CORNER OF LOT 8 THENCE WESTERLY ALONG NORTHERLY LINE OF LOTS 7 AND 8 TO PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2: LOTS 3, 4, 5 AND 6 IN BLOCK 49 IN WESTWOOD, BEING MILLS AND SONS SUBDIVISION, IN THE WEST HALF OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(735 ILCS 5/7-103.104 new)

Sec. 7-103.104. Quick-take; Village of Franklin Park. Quick-take proceedings under Section 7-103 may be used for a period of 48 months after the effective date of this amendatory Act of the 91st General Assembly by the Village of Franklin Park for the acquisition of commercially zoned property within the area designated as the proposed Tax Increment Financing District to redevelop blighted property legally described as follows:

THAT PART OF LAFRAMBOISE RESERVE, IN TOWNSHIP 40 NORTH RANGE 12 EAST OF THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF BELMONT AVENUE AND THE NORTHEASTERLY LINE OF DES PLAINES RIVER ROAD; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF BELMONT AVENUE AND SAID SOUTHERLY LINE EXTENDED WESTERLY ACROSS ELM STREET TO THE WESTERLY LINE, EXTENDED SOUTH, OF LOT 5 IN OWNER'S DIVISION OF (EXCEPT PART EASTERLY OF RIVER ROAD) OF THAT PART OF VACATED BLOCKS 21, 36 AND 37 IN RIVER PARK, A SUBDIVISION OF PART OF SECTION 22, TOWNSHIP 40, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF LAFRAMBOISE RESERVE AFORESAID; THENCE NORTHERLY ALONG SAID EXTENDED LINE; THE WESTERLY LINE OF LOTS 2 TO 5, BOTH INCLUSIVE, IN OWNER'S SUBDIVISION AFORESAID AND THE WESTERLY LINE OF SAID LOT 2 EXTENDED NORTH TO THE NORTHERLY LINE OF GAGE AVENUE; THENCE EASTERLY ALONG THE SAID NORTHERLY LINE AND SAID NORTHERLY LINE EXTENDED EAST TO THE NORTHEASTERLY LINE OF DES PLAINES RIVER ROAD; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE TO THE SOUTH LINE, EXTENDED EASTERLY OF SAID GAGE AVENUE; THENCE SOUTHWESTERLY ALONG SAID EXTENDED LINE TO ANOTHER EASTERLY LINE OF DES PLAINES RIVER ROAD; THENCE SOUTHEASTERLY ALONG SAID EASTERLY LINE AND SAID EASTERLY LINE EXTENDED ACROSS BELMONT AVENUE TO THE POINT OF BEGINNING, COOK COUNTY, ILLINOIS.

(735 ILCS 5/7-103.105 new)

Sec. 7-103.105. Quick-take; Village of Forest Park. Quick-take proceedings under Section 7-103 may be used for a period of 48 months after the effective date of this amendatory Act of the 91st General Assembly by the Village of Forest Park for the acquisition of commercially zoned property within the area designated as the proposed Tax Increment Financing District to redevelop blighted property legally described as follows:

THAT PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 39, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 13; THENCE SOUTH ALONG THE EASTLINE OF SAID NORTHEAST QUARTER, EXTENDED SOUTHERLY, TO AN INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF HARRISON STREET, EXTENDED EASTERLY; THENCE WEST ALONG SAID SOUTH RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE EASTLINE OF THE WEST 662.2 FEET OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 13; THENCE

[Feb. 24, 2000]

NORTH ALONG SAID EASTLINE TO A POINT OF INTERSECTION WITH THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RY; THENCE SOUTHEASTERLY ALONG SAID

SOUTHWESTERLY RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE AFORESAID EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 13; THENCE SOUTH ALONG SAID EASTLINE OF THE NORTHEAST QUARTER OF SAID SECTION 13 TO THE POINT OF BEGINNING.

(735 ILCS 5/7-103.106 new)

Sec. 7-103.106. Quick-take; City of St. Charles. Quick-take proceedings under Section 7-103 may be used for a period of 48 months after the effective date of this amendatory Act of the 91st General Assembly by the City of St. Charles for the acquisition of commercially zoned property and any interests contained therein within the area designated as the proposed Tax Increment Financing District to redevelop blighted property legally described as follows:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF ST. CHARLES COMMERCIAL CENTER UNIT NO. 6; THENCE NORTHEASTERLY, 935 FEET ALONG THE WESTERLY LINE OF ST. CHARLES COMMERCIAL CENTER UNIT NO. 6, ST. CHARLES COMMERCIAL CENTER UNIT NO. 1, AND COVINGTON COURT TO AN ANGLE POINT; THENCE NORTHWESTERLY, 677.64 FEET ALONG THE SOUTHWESTERLY LINE OF COVINGTON COURT TO AN ANGLE POINT; THENCE NORTHERLY ALONG THE WESTERLY LINE OF COVINGTON COURT AND ST. CHARLES COMMERCIAL CENTER UNIT NO. 3 TO THE SOUTH LINE OF PRAIRIE STREET; THENCE WESTERLY, 574.54 FEET ALONG SAID SOUTH LINE TO A POINT THAT IS 560 FEET WEST OF THE NORTHEAST CORNER OF LOT 1 IN JOE KEIM'S RANDALL ROAD SUBDIVISION; THENCE SOUTHERLY, 447.4 FEET; THENCE SOUTHWESTERLY, 164.02 FEET; THENCE SOUTHEASTERLY, 9 FEET; THENCE SOUTHWESTERLY, 350 FEET TO THE NORTHERLY LINE OF LINCOLN HIGHWAY (ILLINOIS ROUTE 38); THENCE SOUTHEASTERLY ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS,

AND ALSO

THAT PART OF LINCOLN HIGHWAY (ILLINOIS ROUTE 38) AND PRAIRIE STREET LYING CONTIGUOUS TO THE ABOVE DESCRIBED PARCEL.

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Weaver, **Senate Bill No. 1852** was recalled from the order of third reading to the order of second reading.

Senator Weaver offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1852 by replacing the title with the following:

"AN ACT concerning the University of Illinois."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Sections 20-60, 30-30, 40-25, and 53-25 as follows:

(30 ILCS 500/20-60)

Sec. 20-60. Duration of contracts.

(a) Maximum duration. A contract may be entered into for any period of time deemed to be in the best interests of the State but not exceeding 10 years. The length of a lease for real property or capital improvements shall be in accordance with the provisions of Section 40-25. This subsection (a) does not apply to contracts and leases entered into under subsection (c) of Section 7 of the University of Illinois Act.

(b) Subject to appropriation. All contracts made or entered into shall recite that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the contract.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/30-30)

Sec. 30-30. Contracts in excess of \$250,000.

(a) For building construction contracts in excess of \$250,000, separate specifications shall be prepared for all equipment, labor, and materials in connection with the following 5 subdivisions of the work to be performed:

- (1) plumbing;
- (2) heating, piping, refrigeration, and automatic temperature control systems, including the testing and balancing of those systems;
- (3) ventilating and distribution systems for conditioned air, including the testing and balancing of those systems;
- (4) electric wiring; and
- (5) general contract work.

The specifications must be so drawn as to permit separate and independent bidding upon each of the 5 subdivisions of work. All contracts awarded for any part thereof shall award the 5 subdivisions of work separately to responsible and reliable persons, firms, or corporations engaged in these classes of work. The contracts, at the discretion of the construction agency, may be assigned to the successful bidder on the general contract work or to the successful bidder on the subdivision of work designated by the construction agency before the bidding as the prime subdivision of work, provided that all payments will be made directly to the contractors for the 5 subdivisions of work upon compliance with the conditions of the contract. A contract may be let for one or more buildings in any project to the same contractor. The specifications shall require, however, that unless the buildings are identical, a separate price shall be submitted for each building. The contract may be awarded to the lowest responsible bidder for each or all of the buildings included in the specifications.

(b) This Section does not apply to contracts entered into under subsection (c) of Section 7 of the University of Illinois Act. A design/build procurement process may be used for the construction of business research and technology parks under subsection (c) of Section 7 of the University of Illinois Act.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/40-25)

Sec. 40-25. Length of leases.

(a) Maximum term. Leases shall be for a term not to exceed 10 years and shall include a termination option in favor of the State after 5 years. This subsection (a) does not apply to leases entered into under subsection (c) of Section 7 of the University of Illinois Act.

(b) Renewal. Leases may include a renewal option. An option to renew may be exercised only when a State purchasing officer determines in writing that renewal is in the best interest of the State and notice of the exercise of the option is published in the

[Feb. 24, 2000]

246

appropriate volume of the Procurement Bulletin at least 60 days prior to the exercise of the option.

(c) Subject to appropriation. All leases shall recite that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the lease.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/53-25)

Sec. 53-25. Public institutions of higher education. Each public institution of higher education may enter into concessions, including the assignment, license, sale, or transfer of interests in or rights to discoveries, inventions, patents, or copyrightable works, for property, whether tangible or intangible, over which it has jurisdiction. Concessions shall be reduced to writing and shall be awarded at the discretion of the institution with jurisdiction over the property. The duration and terms of concessions and leases shall be at the discretion of the institution with jurisdiction over the property. Notice of the award of a concession shall be published in the higher education volume of the Illinois Procurement Bulletin. For the purposes of this Section, the University of Illinois is deemed to have jurisdiction over property with respect to business research and technology parks established under subsection (c) of Section 7 of the University of Illinois Act.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

Section 10. The University of Illinois Act is amended by changing Section 7 as follows:

(110 ILCS 305/7) (from Ch. 144, par. 28)

Sec. 7. Powers of trustees.

(a) The trustees shall have power to provide for the requisite buildings, apparatus, and conveniences; to fix the rates for tuition; to appoint such professors and instructors, and to establish and provide for the management of such model farms, model art, and other departments and professorships, as may be required to teach, in the most thorough manner, such branches of learning as are related to agriculture and the mechanic arts, and military tactics, without excluding other scientific and classical studies. The trustees shall, upon the written request of an employee withhold from the compensation of that employee any dues, payments or contributions payable by such employee to any labor organization as defined in the Illinois Educational Labor Relations Act. Under such arrangement, an amount shall be withheld from each regular payroll period which is equal to the pro rata share of the annual dues plus any payments or

contributions, and the trustees shall transmit such withholdings to the specified labor organization within 10 working days from the time of the withholding. They may accept the endowments and voluntary professorships or departments in the University, from any person or persons or corporations who may offer the same, and, at any regular meeting of the board, may prescribe rules and regulations in relation to such endowments and declare on what general principles they may be admitted: Provided, that such special voluntary endowments or professorships shall not be incompatible with the true design and scope of the act of congress, or of this Act: Provided, that no student shall at any time be allowed to remain in or about the University in idleness, or without full mental or industrial occupation: And provided further, that the trustees, in the exercise of any of the powers conferred by this Act, shall not create any liability or indebtedness in excess of the funds in the hands of the treasurer of the University at the time of creating such liability or indebtedness, and which may be specially and properly applied to the payment of the same. Any lease to the trustees of lands, buildings or

[Feb. 24, 2000]

facilities which will support scientific research and development in such areas as high technology, super computing, microelectronics, biotechnology, robotics, physics and engineering shall be for a term not to exceed 18 years, and may grant to the trustees the option to purchase the lands, buildings or facilities. The lease shall recite that it is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to pay the rent payable under the terms of the lease.

Leases for the purposes described herein exceeding 5 years shall have the approval of the Illinois Board of Higher Education.

The Board of Trustees may, directly or in cooperation with other institutions of higher education, acquire by purchase or lease or otherwise, and construct, enlarge, improve, equip, complete, operate, control and manage medical research and high technology parks, together with the necessary lands, buildings, facilities, equipment and personal property therefor, to encourage and facilitate (a) the location and development of business and industry in the State of Illinois, and (b) the increased application and development of technology and (c) the improvement and development of the State's economy. The Board of Trustees may lease to nonprofit corporations all or any part of the land, buildings, facilities, equipment or other property included in a medical research and high technology park upon such terms and conditions as the University of Illinois may deem advisable and enter into any contract or agreement with such nonprofit corporations as may be necessary or suitable for the construction, financing, operation and maintenance and management of any such park; and may lease to any person, firm, partnership or corporation, either public or private, any part or all of the land, building, facilities, equipment or other property of such park for such purposes and upon such rentals, terms and conditions as the University may deem advisable; and may finance all or part of the cost of any such park, including the purchase, lease, construction, reconstruction, improvement, remodeling, addition to, and extension

and maintenance of all or part of such high technology park, and all equipment and furnishings, by legislative appropriations, government grants, contracts, private gifts, loans, receipts from the operation of such high technology park, rentals and similar receipts; and may make its other facilities and services available to tenants or other occupants of any such park at rates which are reasonable and appropriate.

The Trustees shall have power (a) to purchase real property and easements, and (b) to acquire real property and easements in the manner provided by law for the exercise of the right of eminent domain, and in the event negotiations for the acquisition of real property or easements for making any improvement which the Trustees are authorized to make shall have proven unsuccessful and the Trustees shall have by resolution adopted a schedule or plan of operation for the execution of the project and therein made a finding that it is necessary to take such property or easements immediately or at some specified later date in order to comply with the schedule, the Trustees may acquire such property or easements in the same manner provided in Sections 7-103 through 7-112 of the Code of Civil Procedure.

The Board of Trustees also shall have power to agree with the State's Attorney of the county in which any properties of the Board are located to pay for services rendered by the various taxing districts for the years 1944 through 1949 and to pay annually for services rendered thereafter by such district such sums as may be determined by the Board upon properties used solely for income producing purposes, title to which is held by said Board of Trustees,

[Feb. 24, 2000]

upon properties leased to members of the staff of the University of Illinois, title to which is held in trust for said Board of Trustees and upon properties leased to for-profit entities the title to which properties is held by the Board of Trustees. A certified copy of any such agreement made with the State's Attorney shall be filed with the County Clerk and such sums shall be distributed to the respective taxing districts by the County Collector in such proportions that each taxing district will receive therefrom such proportion as the tax rate of such taxing district bears to the total tax rate that would be levied against such properties if they were not exempt from taxation under the Property Tax Code.

The Board of Trustees of the University of Illinois, subject to the applicable civil service law, may appoint persons to be members of the University of Illinois Police Department. Members of the Police Department shall be peace officers and as such have all powers possessed by policemen in cities, and sheriffs, including the power to make arrests on view or warrants of violations of state statutes and city or county ordinances, except that they may exercise such powers only in counties wherein the University and any of its branches or properties are located when such is required for the protection of university properties and interests, and its students and personnel, and otherwise, within such counties, when requested by appropriate state or local law enforcement officials; provided, however, that such officer shall have no power to serve and execute

civil processes.

The Board of Trustees may own, operate, or govern, by or through the College of Medicine at Peoria, a managed care community network established under subsection (r) of Section 5-16.3 of the Illinois Public Aid Code.

The powers of the trustees as herein designated are subject to the provisions of "An Act creating a Board of Higher Education, defining its powers and duties, making an appropriation therefor, and repealing an Act herein named", approved August 22, 1961, as amended.

The Board of Trustees shall have the authority to adopt all administrative rules which may be necessary for the effective administration, enforcement and regulation of all matters for which the Board has jurisdiction or responsibility.

(b) To assist in the provision of buildings and facilities beneficial to, useful for, or supportive of University purposes, the Board of Trustees of the University of Illinois may exercise the following powers with regard to the area located on or adjacent to the University of Illinois at Chicago campus and bounded as follows: on the West by Morgan Street; on the North by Roosevelt Road; on the East by Union Street; and on the South by 16th Street, in the City of Chicago:

(1) Acquire any interests in land, buildings, or facilities by purchase, including installments payable over a period allowed by law, by lease over a term of such duration as the Board of Trustees shall determine, or by exercise of the power of eminent domain;

(2) Sub-lease or contract to purchase through installments all or any portion of buildings or facilities for such duration and on such terms as the Board of Trustees shall determine, including a term that exceeds 5 years, provided that each such lease or purchase contract shall be and shall recite that it is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to pay the rent or purchase installments payable under the terms of such lease or purchase contract; and

(3) Sell property without compliance with the State

[Feb. 24, 2000]

Property Control Act and retain proceeds in the University Treasury in a special, separate development fund account which the Auditor General shall examine to assure compliance with this Act.

Any buildings or facilities to be developed on the land shall be buildings or facilities that, in the determination of the Board of Trustees, in whole or in part: (i) are for use by the University; or (ii) otherwise advance the interests of the University, including, by way of example, residential facilities for University staff and students and commercial facilities which provide services needed by the University community. Revenues from the development fund account may be withdrawn by the University for the purpose of demolition and the processes associated with demolition; routine land and property acquisition; extension of utilities; streetscape work; landscape work; surface and structure parking; sidewalks, recreational paths,

and street construction; and lease and lease purchase arrangements and the professional services associated with the planning and development of the area. Moneys from the development fund account used for any other purpose must be deposited into and appropriated from the General Revenue Fund. Buildings or facilities leased to an entity or person other than the University shall not be subject to any limitations applicable to a State supported college or university under any law. All development on the land and all use of any buildings or facilities shall be subject to the control and approval of the Board of Trustees.

(c) The Board of Trustees may (directly, through a separate corporate entity created by the Board of Trustees, or in cooperation with other institutions of higher education) acquire by purchase, lease, or otherwise and construct, enlarge, improve, equip, complete, operate, control, and manage business research and technology parks (together with the necessary lands, buildings, facilities, equipment, and personal property included in these parks) to encourage and facilitate (i) the location and development of business and industry in the State of Illinois, (ii) the increased application and development of technology, (iii) the location and development of retail uses ancillary to and supportive of such business, industry, and technology, and (iv) the improvement and development of the State's economy.

(1) The Board of Trustees may lease to any person, firm, partnership, corporation, or limited liability company, either public or private, all or any part of the land, buildings, facilities, equipment, or other property included in a business research and technology park upon the terms and conditions and for the durations that the Trustees may deem advisable.

(2) The Board of Trustees may enter into any contract or agreement with any person, firm, partnership, corporation, or limited liability company, either public or private, as may be necessary or suitable for the construction, financing, operation, and maintenance of a business research and technology park.

(3) The Board of Trustees may lease and finance all or part of the cost of a business research and technology park (including the purchase, lease, construction, reconstruction, improvement, remodeling, addition to, and extension and maintenance of all or part of the park and all equipment and furnishings) by legislative appropriations, government grants, contracts, private gifts, loans, receipts from the operation of the park, rentals, and similar receipts.

(4) The Board of Trustees may make its other facilities and services available to tenants or to the occupants of a business research and technology park at rates that are reasonable and

[Feb. 24, 2000]

appropriate, but shall not require these tenants or occupants to use these services.

(Source: P.A. 89-691, eff. 12-31-96; 90-730, eff. 8-10-98.)

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Cronin, **Senate Bill No. 1888** was recalled from the order of third reading to the order of second reading.

Senator Philip offered the following amendment:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1888 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by adding Article 1E as follows:

(105 ILCS 5/Art. 1E heading new)

ARTICLE 1E. ILLINOIS EDUCATIONAL INSPECTOR GENERAL

(105 ILCS 5/1E-5 new)

Sec. 1E-5. Illinois Educational Inspector General.

(a) The State Board of Education shall appoint an Illinois Educational Inspector General, based on a recommendation made by the State Superintendent of Education and with the advice and consent of the Senate, who shall have the authority to conduct investigations into allegations or incidents of waste, fraud, and financial mismanagement in public education grades prekindergarten through 12 by any employee, officer, board member, or contractor of any regional office of education, educational service center, joint agreement program, school district, charter school, or the State Board of Education or involving public educational projects managed or handled by third party agents. The Illinois Educational Inspector General shall be appointed for a term of 3 years and shall be independent of the operation of the State Board of Education.

(b) The Illinois Educational Inspector General shall have access to all information and personnel necessary to perform the duties of the office. If the Illinois Educational Inspector General determines that a possible criminal act has been committed or that special expertise is required in the investigation, the Illinois Educational Inspector General shall immediately notify the Illinois State Police and the Illinois Attorney General's Office. All investigations conducted by the Illinois Educational Inspector General shall be conducted in a manner that ensures the preservation of evidence for use in criminal prosecutions.

(c) At all times the Illinois Educational Inspector General shall be granted access to any building or facility that is owned or leased by any regional office of education, educational service center, joint agreement program, school district, charter school, or the State Board of Education.

(d) The Illinois Educational Inspector General shall have the power to subpoena witnesses and compel the production of books, papers, software, or other materials pertinent to any investigation authorized by this Section. Any person who (i) fails to appear in response to a subpoena; (ii) fails to answer any question; (iii) fails to produce any books, papers, software, or other materials pertinent to an investigation; or (iv) knowingly gives false

testimony during an investigation is guilty of a Class A misdemeanor.

(e) The Inspector General appointed pursuant to Article 34 shall on a monthly basis report to the Illinois Educational Inspector General the status of all pending investigations. The Illinois Educational Inspector General shall have the authority to determine whether, in a specific investigation, a conflict of interest exists between the ability of the Inspector General appointed pursuant to Article 34 to continue to report to, or make recommendations to, the Chicago School Reform Board of Trustees or successive Boards and the Inspector General's ability to conduct the specific investigation. In such instances, the Inspector General appointed pursuant to Article 34 shall report directly to the Illinois Educational Inspector General. This reporting arrangement shall be limited to investigations under this subsection (e).

(f) The Illinois Educational Inspector General shall provide to the State Board of Education, the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, and the Governor a summary of reports and investigations made under this Section for the previous fiscal year no later than December 1 of each year. The summary shall detail the final disposition of those reports and investigations and shall also include detailed recommended administrative actions and matters for consideration by the General Assembly. The summary shall not contain any confidential or identifying information concerning the subjects of the reports and investigations, disclosure of which may violate privacy laws or endanger any ongoing investigations.

Section 99. Effective date. This Act takes effect on July 1, 2000."

Senator Cronin moved the adoption of the foregoing amendment.

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Weaver, **Senate Bill No. 1923** was recalled from the order of third reading to the order of second reading.

Senator Weaver offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1923, AS AMENDED, by replacing the title with the following:

"AN ACT concerning the University of Illinois."; and

by replacing everything after the enacting clause with the following:

"Section 5. The State Property Control Act is amended by adding Section 8.5 as follows:

(30 ILCS 605/8.5 new)

Sec. 8.5. No application. The provisions of this Act do not apply to a transaction conducted under subsection (c) of Section 7 of the University of Illinois Act.

Section 10. The University of Illinois Act is amended by

changing Section 7 as follows:

(110 ILCS 305/7) (from Ch. 144, par. 28)

Sec. 7. Powers of trustees.

(a) The trustees shall have power to provide for the requisite buildings, apparatus, and conveniences; to fix the rates for tuition; to appoint such professors and instructors, and to establish and

[Feb. 24, 2000]

252

provide for the management of such model farms, model art, and other departments and professorships, as may be required to teach, in the most thorough manner, such branches of learning as are related to agriculture and the mechanic arts, and military tactics, without excluding other scientific and classical studies. The trustees shall, upon the written request of an employee withhold from the compensation of that employee any dues, payments or contributions payable by such employee to any labor organization as defined in the Illinois Educational Labor Relations Act. Under such arrangement, an amount shall be withheld from each regular payroll period which is equal to the pro rata share of the annual dues plus any payments or contributions, and the trustees shall transmit such withholdings to the specified labor organization within 10 working days from the time of the withholding. They may accept the endowments and voluntary professorships or departments in the University, from any person or persons or corporations who may offer the same, and, at any regular meeting of the board, may prescribe rules and regulations in relation to such endowments and declare on what general principles they may be admitted: Provided, that such special voluntary endowments or professorships shall not be incompatible with the true design and scope of the act of congress, or of this Act: Provided, that no student shall at any time be allowed to remain in or about the University in idleness, or without full mental or industrial occupation: And provided further, that the trustees, in the exercise of any of the powers conferred by this Act, shall not create any liability or indebtedness in excess of the funds in the hands of the treasurer of the University at the time of creating such liability or indebtedness, and which may be specially and properly applied to the payment of the same. Any lease to the trustees of lands, buildings or facilities which will support scientific research and development in such areas as high technology, super computing, microelectronics, biotechnology, robotics, physics and engineering shall be for a term not to exceed 18 years, and may grant to the trustees the option to purchase the lands, buildings or facilities. The lease shall recite that it is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to pay the rent payable under the terms of the lease.

Leases for the purposes described herein exceeding 5 years shall have the approval of the Illinois Board of Higher Education.

The Board of Trustees may, directly or in cooperation with other institutions of higher education, acquire by purchase or lease or otherwise, and construct, enlarge, improve, equip, complete, operate, control and manage medical research and high technology parks, together with the necessary lands, buildings, facilities, equipment and personal property therefor, to encourage and facilitate (a) the

location and development of business and industry in the State of Illinois, and (b) the increased application and development of technology and (c) the improvement and development of the State's economy. The Board of Trustees may lease to nonprofit corporations all or any part of the land, buildings, facilities, equipment or other property included in a medical research and high technology park upon such terms and conditions as the University of Illinois may deem advisable and enter into any contract or agreement with such nonprofit corporations as may be necessary or suitable for the construction, financing, operation and maintenance and management of any such park; and may lease to any person, firm, partnership or corporation, either public or private, any part or all of the land, building, facilities, equipment or other property of such park for such purposes and upon such rentals, terms and conditions as the University may deem advisable; and may finance all or part of the

[Feb. 24, 2000]

253

cost of any such park, including the purchase, lease, construction, reconstruction, improvement, remodeling, addition to, and extension and maintenance of all or part of such high technology park, and all equipment and furnishings, by legislative appropriations, government grants, contracts, private gifts, loans, receipts from the operation of such high technology park, rentals and similar receipts; and may make its other facilities and services available to tenants or other occupants of any such park at rates which are reasonable and appropriate.

The Trustees shall have power (a) to purchase real property and easements, and (b) to acquire real property and easements in the manner provided by law for the exercise of the right of eminent domain, and in the event negotiations for the acquisition of real property or easements for making any improvement which the Trustees are authorized to make shall have proven unsuccessful and the Trustees shall have by resolution adopted a schedule or plan of operation for the execution of the project and therein made a finding that it is necessary to take such property or easements immediately or at some specified later date in order to comply with the schedule, the Trustees may acquire such property or easements in the same manner provided in Sections 7-103 through 7-112 of the Code of Civil Procedure.

The Board of Trustees also shall have power to agree with the State's Attorney of the county in which any properties of the Board are located to pay for services rendered by the various taxing districts for the years 1944 through 1949 and to pay annually for services rendered thereafter by such district such sums as may be determined by the Board upon properties used solely for income producing purposes, title to which is held by said Board of Trustees, upon properties leased to members of the staff of the University of Illinois, title to which is held in trust for said Board of Trustees and upon properties leased to for-profit entities the title to which properties is held by the Board of Trustees. A certified copy of any such agreement made with the State's Attorney shall be filed with the County Clerk and such sums shall be distributed to the respective taxing districts by the County Collector in such proportions that

each taxing district will receive therefrom such proportion as the tax rate of such taxing district bears to the total tax rate that would be levied against such properties if they were not exempt from taxation under the Property Tax Code.

The Board of Trustees of the University of Illinois, subject to the applicable civil service law, may appoint persons to be members of the University of Illinois Police Department. Members of the Police Department shall be peace officers and as such have all powers possessed by policemen in cities, and sheriffs, including the power to make arrests on view or warrants of violations of state statutes and city or county ordinances, except that they may exercise such powers only in counties wherein the University and any of its branches or properties are located when such is required for the protection of university properties and interests, and its students and personnel, and otherwise, within such counties, when requested by appropriate state or local law enforcement officials; provided, however, that such officer shall have no power to serve and execute civil processes.

The Board of Trustees may own, operate, or govern, by or through the College of Medicine at Peoria, a managed care community network established under subsection (r) of Section 5-16.3 of the Illinois Public Aid Code.

The powers of the trustees as herein designated are subject to the provisions of "An Act creating a Board of Higher Education,

[Feb. 24, 2000]

defining its powers and duties, making an appropriation therefor, and repealing an Act herein named", approved August 22, 1961, as amended.

The Board of Trustees shall have the authority to adopt all administrative rules which may be necessary for the effective administration, enforcement and regulation of all matters for which the Board has jurisdiction or responsibility.

(b) To assist in the provision of buildings and facilities beneficial to, useful for, or supportive of University purposes, the Board of Trustees of the University of Illinois may exercise the following powers with regard to the area located on or adjacent to the University of Illinois at Chicago campus and bounded as follows: on the West by Morgan Street; on the North by Roosevelt Road; on the East by Union Street; and on the South by 16th Street, in the City of Chicago:

(1) Acquire any interests in land, buildings, or facilities by purchase, including installments payable over a period allowed by law, by lease over a term of such duration as the Board of Trustees shall determine, or by exercise of the power of eminent domain;

(2) Sub-lease or contract to purchase through installments all or any portion of buildings or facilities for such duration and on such terms as the Board of Trustees shall determine, including a term that exceeds 5 years, provided that each such lease or purchase contract shall be and shall recite that it is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to pay the rent or purchase installments payable under the terms of such lease or

purchase contract; and

(3) Sell property without compliance with the State Property Control Act and retain proceeds in the University Treasury in a special, separate development fund account which the Auditor General shall examine to assure compliance with this Act.

Any buildings or facilities to be developed on the land shall be buildings or facilities that, in the determination of the Board of Trustees, in whole or in part: (i) are for use by the University; or (ii) otherwise advance the interests of the University, including, by way of example, residential facilities for University staff and students and commercial facilities which provide services needed by the University community. Revenues from the development fund account may be withdrawn by the University for the purpose of demolition and the processes associated with demolition; routine land and property acquisition; extension of utilities; streetscape work; landscape work; surface and structure parking; sidewalks, recreational paths, and street construction; and lease and lease purchase arrangements and the professional services associated with the planning and development of the area. Moneys from the development fund account used for any other purpose must be deposited into and appropriated from the General Revenue Fund. Buildings or facilities leased to an entity or person other than the University shall not be subject to any limitations applicable to a State supported college or university under any law. All development on the land and all use of any buildings or facilities shall be subject to the control and approval of the Board of Trustees.

(c) To assist in the provision of lands, buildings, and facilities that are supportive of university purposes and suitable and appropriate for the conduct and operation of the university's education programs, the Board of Trustees of the University of Illinois may exercise the powers specified in paragraphs (1), (2), and (3) of this subsection (c) with regard to the following described

[Feb. 24, 2000]

255

property:

Parcel 1: Approximately 204 acres commonly known as the Manteno Farm described as: The Northeast Quarter of Section 35, Township 32 North, Range 12 East of the Third Principal Meridian in Kankakee County, Illinois containing approximately 163.60 acres; and the Northwest Quarter of the Southeast Quarter of Section 35, Township 32 North, Range 12 East of the Third Principal Meridian in Kankakee County, Illinois containing approximately 40.73 acres.

Parcel 2: Approximately 160 acres commonly known as the Pell Farm described as: The Northwest Quarter of Section 28 in Township 19 North, Range 9 East of the Third Principal Meridian in Champaign County, Illinois.

Parcel 3: The property commonly known as 904 West Adams Street, Chicago, consisting of the following lots in Block 8 in Duncan's Addition to Chicago in Section 17, Township 39 North, Range 14, East of the Third Principal Meridian, Cook County, Illinois: Lots 4, 5, 6, 7, 8, 9, and 10 in Block 8 Duncan's

Addition; Sub-Lots 3, 4, 5, 6, 7, and 8 in the Resubdivision of Lots 11, 12, and 13 in Block 8, Duncan's Addition; Lots 1 and 2 in Spry's Subdivision of the Lots 11, 12, and 13 in Block 8, Duncan's Addition, Chicago, Illinois.

(1) The Board of Trustees may sell, lease, or otherwise transfer and convey all or part of the above described parcels of real estate, together with the improvements situated thereon, to a bona fide purchaser for value, without compliance with the State Property Control Act and on such terms as the Board of Trustees shall determine are in the best interests of the University of Illinois and consistent with its objectives and purposes. The Board of Trustees must strive for the highest prospective revenue from the transaction.

(2) The Board of Trustees may retain the proceeds from the sale, lease, or other transfer of all or any part of the above described parcels of real estate in the University Treasury, in a special, separate development fund account that the Auditor General shall examine to assure the use or deposit of those proceeds in a manner consistent with this Act.

(3) Revenues deposited into the development fund account from the sale of Parcel 1 and Parcel 2 shall be used by the Board of Trustees to acquire and develop land for the South Campus Farms on the Urbana-Champaign campus. Revenues deposited into the development fund account from the sale of Parcel 3 shall be used by the Board of Trustees to replace warehouse space being lost in Chicago as part of the South Campus Development and from the sale of Parcel 3. Moneys from the development fund account used for any other purpose, any remaining balance in the development fund account upon conclusion of these projects, and any money in the development fund account that remains unused for these projects, must be deposited into and appropriated from the General Revenue Fund.

(Source: P.A. 89-691, eff. 12-31-96; 90-730, eff. 8-10-98.)

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

[Feb. 24, 2000]

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Burzynski, **Senate Bill No. 334**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Sullivan
Syverson

[Feb. 24, 2000]

Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Burzynski, **Senate Bill No. 649**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays 1.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
O'Daniel

O'Malley
Parker
Peterson

[Feb. 24, 2000]

258

Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

The following voted in the negative:

Obama

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Obama asked and obtained unanimous consent for the Journal to reflect that he inadvertently voted "No" instead of "Yes" on the passage of **Senate Bill No. 649**.

On motion of Senator Karpiel, **Senate Bill No. 742**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin

Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs

[Feb. 24, 2000]

259

Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver

Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Shadid, **Senate Bill No. 1248**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne

[Feb. 24, 2000]

260

Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland

Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives

[Feb. 24, 2000]

261

thereof and ask their concurrence therein.

On motion of Senator Klemm, **Senate Bill No. 1271**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue

Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan

[Feb. 24, 2000]

262

Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not

adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Philip, **Senate Bill No. 1277**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel

[Feb. 24, 2000]

O'Malley
Parker
Peterson

Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Klemm, **Senate Bill No. 1278**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford

Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Geo-Karis, **Senate Bill No. 1291**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays 1.

The following voted in the affirmative:

Bomke
Bowles

Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue

[Feb. 24, 2000]

265

Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.

Watson
Weaver
Welch
Mr. President

The following voted in the negative:

Rauschenberger

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Jacobs, **Senate Bill No. 1295**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

[Feb. 24, 2000]

266

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland

Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver

[Feb. 24, 2000]

267

Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Bowles, **Senate Bill No. 1296**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo

del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam

[Feb. 24, 2000]

Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Lauzen, **Senate Bill No. 1304**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell

[Feb. 24, 2000]

Molaro
Munoz
Myers
Noland
Obama
O'Daniel

O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, **Senate Bill No. 1307**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon

[Feb. 24, 2000]

Jacobs
 Jones, E.
 Jones, W.
 Karpier
 Klemm
 Lauzen
 Lightford
 Link
 Luechtefeld
 Madigan, L.
 Madigan, R.
 Mahar
 Maitland
 Mitchell
 Molaro
 Munoz
 Myers
 Noland
 Obama
 O'Daniel
 O'Malley
 Parker
 Peterson
 Petka
 Radogno
 Rauschenberger
 Ronen
 Roskam
 Shadid
 Shaw
 Sieben
 Silverstein
 Smith
 Sullivan
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Welch
 Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Maitland, **Senate Bill No. 1317**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski

[Feb. 24, 2000]

271

Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein

Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

[Feb. 24, 2000]

272

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Burzynski, **Senate Bill No. 1323**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lightford
Link
Luechtefeld
Madigan, L.

Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan

[Feb. 24, 2000]

273

Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Lauzen, **Senate Bill No. 1330**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski

Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel

[Feb. 24, 2000]

O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.

Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator DeLeo, **Senate Bill No. 1332**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen

[Feb. 24, 2000]

Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro

Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Syverson, **Senate Bill No. 1340**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle

[Feb. 24, 2000]

Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Dillard, **Senate Bill No. 1376**, having been transcribed and typed and all amendments adopted thereto having been

[Feb. 24, 2000]

277

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays 2.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen

Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.

[Feb. 24, 2000]

278

Watson
Weaver
Mr. President

The following voted in the negative:

Link
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Bowles, **Senate Bill No. 1397**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 49; Nays 9.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Halvorson
Hendon
Jacobs
Jones, E.

Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
Parker
Peterson
Radogno
Rauschenberger
Ronen

[Feb. 24, 2000]

279

Roskam
Shaw
Sieben
Silverstein
Smith
Syverson
Trotter
Viverito
Walsh, L.
Watson
Weaver
Mr. President

The following voted in the negative:

Dudycz
Hawkinson
Jones, W.
Lauzen
O'Malley
Petka
Shadid
Sullivan
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, **Senate Bill No. 1421**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm

[Feb. 24, 2000]

Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger

Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, **Senate Bill No. 1422**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo

[Feb. 24, 2000]

del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpiel

Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Dillard, **Senate Bill No. 1444**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

[Feb. 24, 2000]

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays 2.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver

[Feb. 24, 2000]

283

Welch
Mr. President

The following voted in the negative:

Lauzen
Rauschenberger

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Mitchell, **Senate Bill No. 1477**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland

Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker

[Feb. 24, 2000]

284

Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Burzynski, **Senate Bill No. 1498**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton

DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link

[Feb. 24, 2000]

285

Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver

Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Parker, **Senate Bill No. 1508**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard

[Feb. 24, 2000]

Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland

Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Klemm, **Senate Bill No. 1522**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

Pending roll call on motion of Senator Klemm, further

[Feb. 24, 2000]

287

consideration of **Senate Bill No. 1522** was postponed.

On motion of Senator Maitland, **Senate Bill No. 1541**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin

Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan

[Feb. 24, 2000]

Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson

Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

At the hour of 2:09 o'clock p.m., Senator Karpel presiding.

On motion of Senator Geo-Karis, **Senate Bill No. 1589**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland

[Feb. 24, 2000]

Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Parker, **Senate Bill No. 1599**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson

Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel

[Feb. 24, 2000]

290

Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Klemm, **Senate Bill No. 1602**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton

[Feb. 24, 2000]

291

DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen

Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Myers, **Senate Bill No. 1620**, having been transcribed and typed and all amendments adopted thereto having been

[Feb. 24, 2000]

292

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm

Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.

[Feb. 24, 2000]

293

Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator T. Walsh, **Senate Bill No. 1627**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka

[Feb. 24, 2000]

Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith

Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Syverson, **Senate Bill No. 1629**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.

[Feb. 24, 2000]

Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Luechtefeld, **Senate Bill No. 1630**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 56; Nays None.

The following voted in the affirmative:

Bomke
Burzynski
Clayborne
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue

Dudycz
Geo-Karis
Halvorson

[Feb. 24, 2000]

296

Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Geo-Karis, **Senate Bill No. 1636**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke

[Feb. 24, 2000]

297

Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka

Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority

[Feb. 24, 2000]

298

of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Smith, **Senate Bill No. 1642**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs

Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben

[Feb. 24, 2000]

299

Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Molaro, **Senate Bill No. 1645**, having been transcribed and typed and all amendments adopted thereto having been

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers

[Feb. 24, 2000]

Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid

Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Maitland, **Senate Bill No. 1646**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.

[Feb. 24, 2000]

Karpiel
Klemm
Lauzen

Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Maitland, **Senate Bill No. 1647**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays 1.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton

DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch

Mr. President

The following voted in the negative:

Lauzen

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

[Feb. 24, 2000]

303

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Sieben, **Senate Bill No. 1649**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro

Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith

[Feb. 24, 2000]

304

Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Rauschenberger, **Senate Bill No. 1651**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle

Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama

[Feb. 24, 2000]

O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Geo-Karis, **Senate Bill No. 1656**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm

[Feb. 24, 2000]

Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel

O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Rauschenberger, **Senate Bill No. 1659**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo

[Feb. 24, 2000]

del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis

Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Syverson, **Senate Bill No. 1660**, having been

[Feb. 24, 2000]

transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben

Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito

[Feb. 24, 2000]

309

Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Rauschenberger, **Senate Bill No. 1682**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link

Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson

[Feb. 24, 2000]

310

Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Trotter, **Senate Bill No. 1693**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke

Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld

[Feb. 24, 2000]

Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter

Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator R. Madigan, **Senate Bill No. 1704**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue

[Feb. 24, 2000]

Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland

Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator R. Madigan, **Senate Bill No. 1718**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

[Feb. 24, 2000]

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo

del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

[Feb. 24, 2000]

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Burzynski, **Senate Bill No. 1734**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen

Roskam
Shadid
Shaw

[Feb. 24, 2000]

315

Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Burzynski, **Senate Bill No. 1735**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel

Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz

[Feb. 24, 2000]

316

Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Philip, **Senate Bill No. 1780**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.

[Feb. 24, 2000]

317

Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein

Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Rauschenberger, **Senate Bill No. 1828**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne

[Feb. 24, 2000]

Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld

Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives

[Feb. 24, 2000]

319

thereof and ask their concurrence therein.

On motion of Senator Maitland, **Senate Bill No. 1829**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles

Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson

[Feb. 24, 2000]

Trotter
Viverito
Walsh, L.

Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Radogno, **Senate Bill No. 1844**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays 2.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
del Valle
Demuzio
Dillard
Donahue
Dudycz
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson

[Feb. 24, 2000]

321

Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

The following voted in the negative:

DeLeo
Geo-Karis

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Maitland, **Senate Bill No. 1853**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue

Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel

[Feb. 24, 2000]

322

Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not

adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Philip, **Senate Bill No. 1855**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton

[Feb. 24, 2000]

323

DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson

Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Philip, **Senate Bill No. 1860**, having been

[Feb. 24, 2000]

324

transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays 1.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.

Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.

[Feb. 24, 2000]

325

Walsh, T.
Watson
Weaver
Mr. President

The following voted in the negative:

Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Viverito, **Senate Bill No. 1871**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker

[Feb. 24, 2000]

Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam

Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Dudycz, **Senate Bill No. 1874**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld

[Feb. 24, 2000]

Madigan, L.
 Madigan, R.
 Mahar
 Maitland
 Mitchell
 Molaro
 Munoz
 Myers
 Noland
 Obama
 O'Daniel
 O'Malley
 Parker
 Peterson
 Petka
 Radogno
 Rauschenberger
 Ronen
 Roskam
 Shadid
 Shaw
 Sieben
 Silverstein
 Smith
 Sullivan
 Syverson
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Welch
 Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Geo-Karis, **Senate Bill No. 1875**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
 Bowles
 Burzynski
 Clayborne
 Cronin

Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue

[Feb. 24, 2000]

328

Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver

Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator O'Malley asked and obtained unanimous consent for the Journal to reflect his affirmative vote on **Senate Bill No. 1875**.

On motion of Senator Peterson, **Senate Bill No. 1883**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

[Feb. 24, 2000]

329

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro

Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.

[Feb. 24, 2000]

330

Watson
Weaver
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Mahar, **Senate Bill No. 1899**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio

Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger

[Feb. 24, 2000]

331

Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch

This bill, having received the vote of a constitutional majority

of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Peterson, **Senate Bill No. 1929**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland

[Feb. 24, 2000]

Molaro
Munoz
Myers
Noland
O'Daniel
O'Malley
Parker
Peterson
Petka

Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

REPORT FROM RULES COMMITTEE

Senator Weaver, Chairperson of the Committee on Rules, reported that the following Legislative Measures have been approved for consideration:

Senate Amendment No. 1 to Senate Bill 1404
Senate Amendment No. 1 to Senate Bill 1453
Senate Amendment No. 4 to Senate Bill 1577
Senate Amendment No. 3 to Senate Bill 1588
Senate Amendment No. 1 to Senate Bill 1657
Senate Amendment No. 3 to Senate Bill 1658

The foregoing floor amendments were placed on the Secretary's Desk.

SENATE BILLS RECALLED

On motion of Senator O'Malley, **Senate Bill No. 1577** was recalled from the order of third reading to the order of second reading.

Senator O'Malley offered the following amendment and moved its adoption:

[Feb. 24, 2000]

AMENDMENT NO. 4

AMENDMENT NO. 4. Amend Senate Bill 1577, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 3, on page 1, line 13, after "Midlothian," by inserting "Palos Heights,"; and on page 1, line 15, by replacing "21-member" with "22-member"; and on page 1, line 21, after "Midlothian," by inserting "Palos Heights,"; and on page 2, line 8, by replacing "21" with "22".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 4 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Donahue, **Senate Bill No. 1657** was recalled from the order of third reading to the order of second reading.

Senator Donahue offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 1657 on page 1, lines 2 and 6, after "Sections" each time it appears, by inserting "2-1,"; and on page 1, by inserting below line 7 the following:

"(20 ILCS 2215/2-1) (from Ch. 111 1/2, par. 6502-1)

Sec. 2-1. Council Authorized. There is hereby created the Illinois Health Care Cost Containment Council. It shall consist of 13 ~~11~~ members appointed by the Governor with the advice and consent of the Senate as follows: 5 ~~3~~ members to represent providers as follows: 2 members to represent Illinois hospitals at least one of which must represent a small rural hospital, 2 members to represent physicians licensed to practice medicine in all its branches, and 1 member to represent ambulatory surgical treatment centers; 3 members to represent consumers; 2 members to represent insurance companies; and 3 members to represent businesses.

The members of the Council shall be appointed for 3-year ~~three year~~ terms.

No more than 7 ~~six~~ members may be from the same political party.

Members shall be appointed within 30 ~~thirty~~ days after the effective date of this Act. The additional members appointed under the amendatory Act of the 91st General Assembly must be appointed within 30 days after the effective date of this amendatory Act of the 91st General Assembly. The members of the Council shall receive reimbursement of their actual expenses incurred in connection with their service; in addition, each member shall receive compensation of \$150 a day for each day served at regular or special meetings of the Council, except that such compensation shall not exceed \$20,000 in any one year for any member. The Council shall elect a Chairman from among its members, and shall have the power to organize and appoint such other officers as it may deem necessary.

All appointments shall be made in writing and filed with the Secretary of State as a public record.

(Source: P.A. 83-1243.)"; and

on page 7, line 8, by replacing "to" with "the"; and

on page 9, line 4, by replacing "July 1, 2000" with "January 1, 2001"; and

on page 9, line 6, by replacing "July 1, 2001" with "January 1,

2002".

The motion prevailed.

[Feb. 24, 2000]

334

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Dillard, **Senate Bill No. 1231**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers

Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid

[Feb. 24, 2000]

335

Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, **Senate Bill No. 1275**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

Pending roll call on motion of Senator O'Malley, further consideration of **Senate Bill No. 1275** was postponed.

On motion of Senator del Valle, **Senate Bill No. 1276**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 46; Nays 10; Present 2.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Cullerton
DeLeo

del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hendon
Jacobs
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Myers

[Feb. 24, 2000]

336

Noland
Obama
Parker
Peterson
Radogno
Ronen
Shadid
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

The following voted in the negative:

Clayborne
Hawkinson
Mitchell
Molaro
O'Daniel
O'Malley
Petka

Rauschenberger
Roskam
Shaw

The following voted present:

Cronin
Munoz

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator O'Malley asked and obtained unanimous consent for the Journal to reflect that he inadvertently voted "No" instead of "Yes" on the passage of **Senate Bill No. 1276**.

On motion of Senator Geo-Karis, **Senate Bill No. 1302**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski

[Feb. 24, 2000]

Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld

Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

[Feb. 24, 2000]

338

Senator Smith asked and obtained unanimous consent for the Journal to reflect her affirmative vote on **Senate Bill No. 1302**.

On motion of Senator Maitland, **Senate Bill No. 1338**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke

Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith

[Feb. 24, 2000]

Sullivan
Syverson
Trotter

Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

At the hour of 4:25 o'clock p.m., Senator Maitland presiding.

On motion of Senator Burzynski, **Senate Bill No. 1339**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers

Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Silverstein, **Senate Bill No. 1382**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard

Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.

[Feb. 24, 2000]

341

Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority

of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Watson, **Senate Bill No. 1439**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin

[Feb. 24, 2000]

342

Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker

Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

[Feb. 24, 2000]

343

On motion of Senator O'Malley, **Senate Bill No. 1446**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 44; Nays 14.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jones, E.
Jones, W.

Karpiel
Klemm
Lauzen
Link
Luechtefeld
Madigan, R.
Mahar
Maitland
Molaro
Munoz
Myers
Noland
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Roskam
Sieben
Silverstein
Smith
Sullivan
Syverson
Walsh, T.
Watson
Weaver
Mr. President

The following voted in the negative:

Demuzio
Jacobs
Lightford
Madigan, L.
Mitchell

[Feb. 24, 2000]

344

Obama
Rauschenberger
Ronen
Shadid
Shaw
Trotter
Viverito
Walsh, L.
Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Geo-Karis, **Senate Bill No. 1513**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley

[Feb. 24, 2000]

Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen

Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, **Senate Bill No. 1577**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link

[Feb. 24, 2000]

Luechtefeld
 Madigan, L.
 Madigan, R.
 Mahar
 Maitland
 Mitchell
 Molaro
 Munoz
 Myers
 Noland
 Obama
 O'Daniel
 O'Malley
 Parker
 Peterson
 Petka
 Radogno
 Rauschenberger
 Ronen
 Roskam
 Shadid
 Shaw
 Sieben
 Silverstein
 Smith
 Sullivan
 Syverson
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Welch
 Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Petka, **Senate Bill No. 1613**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None; Present 1.

The following voted in the affirmative:

Bomke
 Bowles
 Burzynski

Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio

[Feb. 24, 2000]

347

Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson

Weaver
Welch
Mr. President

The following voted present:

Smith

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Mahar, **Senate Bill No. 1653**, having been

[Feb. 24, 2000]

348

transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell

Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Trotter
Viverito
Walsh, L.
Walsh, T.

[Feb. 24, 2000]

349

Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Donahue, **Senate Bill No. 1657**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays 1.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cullerton
DeLeo
del Valle
Demuzio

Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam

[Feb. 24, 2000]

350

Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

The following voted in the negative:

Rauschenberger

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Klemm, **Senate Bill No. 1672**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar

[Feb. 24, 2000]

Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
Parker

Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Peterson, **Senate Bill No. 1674**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson

[Feb. 24, 2000]

Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Peterson, **Senate Bill No. 1680**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 36; Nays 15; Present 5.

The following voted in the affirmative:

Bomke

[Feb. 24, 2000]

353

Clayborne
Cronin
Cullerton
DeLeo
Dillard
Dudycz
Geo-Karis
Jacobs
Jones, W.
Klemm
Lightford
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
O'Daniel
Peterson
Petka
Ronen
Roskam
Shaw
Sieben
Silverstein
Smith
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Mr. President

The following voted in the negative:

Bowles
Burzynski
Donahue
Halvorson
Hawkinson
Karpel
Lauzen
Link
O'Malley
Parker

Radogno
Rauschenberger
Sullivan
Syverson
Welch

The following voted present:

del Valle
Demuzio
Hendon
Jones, E.

[Feb. 24, 2000]

354

Shadid

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Weaver, **Senate Bill No. 1852**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford

Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam

[Feb. 24, 2000]

355

Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Weaver, **Senate Bill No. 1923**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 59; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Maitland
Mitchell

[Feb. 24, 2000]

Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson

Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

COMMITTEE MEETING ANNOUNCEMENT

Senator Rauschenberger, Chairperson of the Committee on Appropriations announced that the Appropriations Committee will meet today, in Room 212, Capitol Building, immediately upon adjournment.

PRESENTATION OF RESOLUTION

SENATE RESOLUTION NO. 302

Offered by Senator Clayborne and all Senators:

Mourns the death of the Honorable J. Lawrence Keshner of Alton.

The foregoing resolution was referred to the Resolutions Consent Calendar.

INTRODUCTION OF A BILL

SENATE BILL NO. 1951. Introduced by Senator Mitchell, a bill for AN ACT making an appropriation to the Historic Preservation Agency.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Rules.

[Feb. 24, 2000]

357

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 2985

A bill for AN ACT to amend the School Code by changing Section 1D-1 and adding Section 2-3.51a.

HOUSE BILL NO. 3037

A bill for AN ACT to amend the Motor Vehicle Franchise Act by changing Section 4.

HOUSE BILL NO. 3236

A bill for AN ACT in relation to defendants found not guilty by reason of insanity.

HOUSE BILL NO. 3840

A bill for AN ACT to amend the School Code by changing Sections 34-2.1, 34-2.3, and 34-8.1.

HOUSE BILL NO. 3901

A bill for AN ACT concerning Illinois Correctional Employee Memorial license plates.

HOUSE BILL NO. 3981

A bill for AN ACT to amend the Higher Education Student Assistance Act by adding Section 65.57.

HOUSE BILL NO. 4021

A bill for AN ACT creating the Great START program.

HOUSE BILL NO. 4022

A bill for AN ACT to amend the Civil Administrative Code of Illinois.

HOUSE BILL NO. 4093

A bill for AN ACT concerning higher education.

HOUSE BILL NO. 4161

A bill for AN ACT to amend the Nursing Education Scholarship Law by changing Sections 2, 3, 4, 5, 6, 7, 9, and 10.

Passed the House, February 24, 2000.

ANTHONY D. ROSSI, Clerk of the House

The foregoing **House Bills numbered 2985, 3037, 3236, 3840, 3901, 3981, 4021, 4022, 4093 and 4161** were taken up, ordered printed and placed on first reading.

**READING BILLS FROM THE HOUSE OF REPRESENTATIVES
A FIRST TIME**

House Bill No. 1853, sponsored by Senator Philip was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1854, sponsored by Senator Philip was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2101, sponsored by Senator Lightford was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2629, sponsored by Senator Lightford was taken up, read by title a first time and referred to the Committee on Rules.

[Feb. 24, 2000]

House Bill No. 2979, sponsored by Senators Karpiel - Dillard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3082, sponsored by Senator Bomke was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3112, sponsored by Senator O'Malley was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3114, sponsored by Senator Dudycz was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3126, sponsored by Senator Sullivan was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3169, sponsored by Senators DeLeo - E. Jones was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3180, sponsored by Senator Dudycz was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3205, sponsored by Senator Radogno was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3256, sponsored by Senator L. Walsh was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3309, sponsored by Senator Parker was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3315, sponsored by Senator Demuzio was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3355, sponsored by Senator Sullivan was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3435, sponsored by Senator Sieben was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3455, sponsored by Senator Sullivan was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3548, sponsored by Senator Parker was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3636, sponsored by Senator T. Walsh was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3861, sponsored by Senator R. Madigan was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3880, sponsored by Senator O'Daniel was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 4092, sponsored by Senator Demuzio was taken up, read by title a first time and referred to the Committee on Rules.

[Feb. 24, 2000]

359

House Bill No. 4280, sponsored by Senators R. Madigan - Donahue - DeLeo was taken up, read by title a first time and referred to the Committee on Rules.

At the hour of 5:05 o'clock p.m., on motion of Senator Geo-Karis, the Senate stood adjourned until Friday, February 25, 2000 at 9:00 o'clock a.m.

[Feb. 24, 2000]